DOCUMENT RESUME

ED 317 776 CE 054 523

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TITLE Management Education for Small and Medium-Sized Enterprises in the European Communities.
INSTITUTION European Centre for the Development of Vocational Training, Berlin (West Germany).
REPORT NO ISBN-92-825-9842-X
PUB DATE 89
NOTE 134p.
AVAILABLE FROM UNIPUB, 4661-F Assembly Drive, Lanham, MD 20706-4391 (Catalogue No. HX-55-89-803-EN-C).
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC06 Plus Postage.
DESCRIPTORS *Business Administration; *Economic Development; *Entrepreneurship; Foreign Countries; *On the Job Training; Organization Size (Groups); Postsecondary Education; *Small Businesses; *Staff Development
IDENTIFIERS *European Community

ABSTRACT

This report summarizes the activities of various bodies providing training impetus for small and medium-sized enterprises (SMEs) in Europe on the three levels of (1) basic management education for potential small and medium-sized business owners and/or managers; (2) programs for small firm start-ups; and (3) activities to improve the management of already existing small and medium-sized enterprises. Taking into account the assumed growing needs for training measures on all three levels, the report gives an overview on what measures are offered, as well as an analysis of those measures in terms of the current challenges in the business environment--characterized by growing worldwide competitiveness and rapid technological change. A summary is provided of the different methods used in the various countries, how the support components are related to each other, and how the results can be judged by comparing claims and results. Suggestions for more appropriate solutions are offered. Six case studies of small business development programs in England, Ireland, West Germany, France, the Netherlands, and Spain are included in the report. (KC)

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Management education for small and medium-sized enterprises in the European Communities

European Centre for the Development of Vocational Training

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Management education for small and medium-sized enterprises in the European Communities

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November 1988

First edition, Berlin 1989

Published by:

CEDEFOP — European Centre for the Development of Vocational Training
Jean Monnet House
Bundesallee 22, **D-1000 Berlin 15**
Tel. (0 30) 88 41 20; Telex 184 163 eucen d;
Telefax (0 30) 88 41 22 22

The Centre was established by Regulation (EEC) No 337/75 of the Council of the European Communities

This publication is also available in the following languages:

ES ISBN 92-825-9840-3
FR ISBN 92-825-9843-8
DE ISBN 92-825-9841-1
IT ISBN 92-825-9844-6

Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 1989

ISBN 92-825-9842-X

Catalogue number: HX-55-89-803-EN-C

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Printed in Belgium

PREFACE

For many years now, the small and medium enterprise sector has attracted the interest of the public at large and both national and Community institutions.

Important steps are being taken to overcome the obstacles besetting SMEs, and the efforts of the S E Task Force have already borne fruit in this respect. There is a strong concern to upgrade managerial skills in small businesses, to facilitate access to information, to ensure that training is geared to their specific needs and, finally, to contribute on all fronts towards placing small and medium enterprises throughout the Community in a stronger position for facing up to the opening of the vast single market in 1992.

CEDEFOP, convinced that proper training is a key element in successful business management, is pleased to publish this account of what is currently being done in the field of management education and training for SMEs. Taking account of the various stages of corporate development, this report presents a selection of interesting and innnovative achievements at European level which gives an impression of the wealth of experiments and research work relating to SMEs.

Clearly, this publication is selective and cannot present an exhaustive analysis of the entire field. It is a contribution towards a body of information on training programmes, institutions and research activities relating to SMEs which is still lacking at European level and which CEDEFOP has proposed to develop on the basis of its own publication activities and also by assembling all the available data in a database which will be operational by the end of 1989.

The Directorate
CEDEFOP

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ACKNOWLEDGEMENTS

Thanks are due to all colleagues who have responded to our questionnaires which are the basis for this report.

Special thanks should be expressed to the following experts who provided us with information to be able to give an overview on the examples covered in chapter IV : Mr. Jürgen ALLESCH, Ms. Dagmar BRODDE, Ms. Dagmar PREISS-ALLESCH, Prof. Alan GIBB, Prof. Philippe ALBERT, Mr. Chris PARK, Prof. Vincent RAMUS, Prof. W. E. DURING, Prof. Montse OLLE.

We are especially grateful to Gay HASKINS who has done an enormous amount of preleminary work, as well as to Anthony C. HUBERT's cunning and constructive advice and the kind and stimulating support of R. Sybren TIJMSTRA.

Ava E. BARTLEY, who assisted in preparing and Françoise SCHOEMANS who typed this report should also be thanked for doing an admirable job.

All this gratitude does of course not reduce the responsibility of the author for all possible errors which might still be found in this report. Readers are kindly invited to give additional information on this important and challenging topic.

Rainer HOLZER

INTRODUCTION

The future economic well-being of the European Community depends largely on the international competitiveness of the European economy. This competitiveness is, of course, closely related to entrepreneurial and innovative abilities of private and public companies and their management staff. It is in this context, that interest has focussed recently more and more on the special role of the Small and Medium-sized Enterprises (SME's) : They are increasingly regarded all over Europe as important sources of innovation as well as potential creators of economic growth and new employment and are therefore considered as one of the key factors of potential economic regeneration in the Community. As a result of this specific perception various new efforts and initiatives to improve the innovative capacity and performance of firms and to encourage entrepreneurship [1] have been added to already existing support initiatives in recent years and/or are currently planned in practically all of the Community's member states. This tendency to provide improved possibilities for SME management education was also stimulated by a number of research studies in which the relationship between success/failure of small firms and their respective management practices have been investigated with the overall result that the quality of management is indeed a key element for corporate success - irrespective of size. [2]

Thus not only a growing awareness for the need to improve knowledge, attitudes and skills of potential and existing owners/managers of small and medium-sized enterprises has developed, but practical consequences have been drawn as well. This has led to an enlarged diversity of the structure of small business support in Europe and to a number of interesting experiences in providing managerial help measures for SME's.

Various deliverers of such measures can be identified and their roles differ from country to country. It has been concluded that "within each member state of the EEC, different lead institutions have emerged as pre-eminent in the promotion and development of SME training and counselling". [3] The range of such deliverers includes :

- independent membership bodies having public law status (Chambers of Commerce, Chambers of Handicrafts)
- local voluntary agencies (of private or "mixed" private - public character)
- commercial organizations, e. g. management centres organized privately
- big companies trying to provide help for SME's
- government bodies
- the education sector

In countries where membership bodies like the Chambers of Commerce have a long established institutional capability (like in Germany and - with different consequences in the area of business education in general - also in France), they still play a major role in providing managerial support for SME's. On the other hand, the education sector has become the major delivering vehicle for training in those countries where a different tradition with regard to the above-mentioned membership bodies does exist, e. g. in the United Kingdom or in Ireland.

Notwithstanding the given diversity of the support structures for SME's in the countries of the European Community, at least two tendencies representing common trends can currently be identified.

- Firstly, in all member countries the number of newly developed help institutions is increasing and there is a constant process visible of trying to improve the results of this work also by analysing similar efforts across national borders.
- Secondly, it seems that the role of the education sector is reappraised in all member states and that especially the institutions of higher education will become important as providers of "software" for SME's even in those countries where they had

practically undertaken no efforts in this direction up to a few years ago. [4] Generally these tendencies reflect enhanced efforts to cope with increased challenges for small and medium-sized enterprises, such as much tougher competition on the national scale (and internationally) or the given rapid technological change we currently face, which has many repercussions on small and medium-sized enterprises as well. Thus it can be assumed that the needs of individual SME's for improved methods and their application to develop managerial abilities are constantly growing.

The importance of training possibilities and their contents for owners/managers of SME's is also stressed by the assumption that the readiness of the management at the top of a company to expose also employees from all other levels to more and better training measures, leading to a generally higher qualification of the whole company staff, will certainly grow after the top managers have experienced the advantages of training themselves.

The Commission of the European Communities has since 1986 increased its efforts to assist SMEs by setting up a special Task Force. This Task Force has in the meantime taken the initiative to build up an information service for SMEs cooperating with existing institutions in the various regions of the Community. The Task Force is currently planning to contribute also with new activities in the special area of training for SMEs.

The EEC's Commett programme has sponsored several University-Industry partnership projects from which small and medium-sized enterprises may benefit as they are sometimes directly involved. The EEC has also financed a new organization (Elise) which assists local employment initiatives in Europe by spreading information on those initiatives as well as e.g. cooperation projects between large and newly established companies.

The activities of the above-mentioned initiatives and institutions towards small and medium-sized enterprises on the three levels of :

- basic management education for potential small and medium-sized business owners and/or managers.
- programmes for small firms start-ups and

- activities to improve the management of already existing small and medium-sized enterprises

will be the subject of this report. Taking into account the assumed growing needs for training measures on all three levels, this report will not only aim to give an overview on what measures are offered, but it will also try to analyze these measures by asking whether they are able to meet the current challenges in the given business environment, characterized by growing worldwide competitiveness and rapid technological change. An appropriate basis for such a critical analysis will consist in a comparative approach - as far as this is possible given the basic differences in the delivery structures mentioned above - looking at

- the different methods used in the various countries
- how the components of support measures are related to each other and
- how the results can be judged by comparing claims and results.

Thus the study will provide :

- an overview on business training (education in basic training, start-up consultancy and post experienced training) covering the member countries of the EEC
- a critical analysis by comparing new initiatives in all three fields of research from country to country and by especially contrasting promising elements with probably not very effective measures/approaches
- suggestions for more appropriate solutions
- a stimulus towards more exchange of European experience and more cooperation of respective institutions in different countries of the Community.

In order to be able to give a relatively detailed picture especially on those initiatives which might be regarded as representing "outstanding practices" in their respective countries from which elements could be transfered to other projects and which could therefore be taken as models for learning through exchange, an in-depth description of the following six European institutions/projects will be provided at the end of this report :

- Durham University Business School, Small Business Centre
- Irish Management Institute, Business Development Programme
- Technische Universität Berlin, TU-Transfer
- Groupe Ecole Supérieure de Commerce de Lyon, Small Business Department
- Technische Hogeschool Twente, Trainings- en Onderzoeks Centrum voor Innovatief Ondernemerschap
- Escuela Superior de Administration y Direccion de Empresas

As main sources to provide this report, answers to three questionnaires [5] have been used which had been sent out by the European Foundation for Management Development (EFMD) [6] in 1983 and again in 1985 to a large number of Business Schools, Management Centres, Universities, Small Business Centres/Agencies and some selected big corporations. These questionnaires have been sent out again in Spring 1988 to assure additional and absolutely updated

information in an area where more developments are taking place quite rapidly. An overview on those institutions from which answers were received is provided in Annex I.

Furthermore, the proceedings of the European Small Business Seminars which EFMD runs yearly since 1971 have been evaluated as well as articles and books from small business management development experts representing various European countries. Finally, descriptions from support agencies and brochures from government departments as well as some in-depth descriptions of successful projects have served as sources of information.

I. TRAINING FUTURE SME OWNERS/MANAGERS IN UNIVERSITIES, BUSINESS SCHOOLS AND OTHER INSTITUTIONS WHICH DO TRAINING FOR SME'S

A. GROWING INTEREST

It is not surprising that the majority of graduates from business schools or respective university departments traditionally opt for working for big business and much less as managers for small and medium-sized firms. The curricula offered by business schools and universities show an emphasis on large rather than small firms situations and their structure aims at educating managers for larger firms. The prevailing image of business schools is still one of institutions which aim at improving the management of big business, meaning especially large international corporations, but at least medium-sized firms. Headhunters who are present especially at the long established and well-known business schools generally aim at recruiting graduates for big business. If they are looking for graduates who should work in smaller organizations, these firms often do work in the field of management consulting for larger firms.

On the other hand, results from some studies (there is only a small number existing) on entrepreneurial activities of graduates from Business Schools do indicate that a surprisingly high percentage of former business students went to work in small or family firms. From those students who graduated in the years 1965 - 67 at INSEAD as many as 36 % were active owner managers. Similar research done by the St. Gall Graduate School of Economics, Business and Public Administration in Switzerland showed that 38 % of 1978's graduating students later on worked in firms with fewer than 100 employees. 19 % of former students from London and Manchester Business Schools who had graduated in about 1970 were working in small companies in 1977. [7)]

The above-mentioned numbers may lead to the conclusion that there should be a certain amount of demand for small business courses in management schools, especially expressed by students. This tendency would correspond to the bulk of answers EFMD received on its questionnaires from those institutions which offer these small business options to students in which generally the demand by students was qualified as "high". That such a growing interest exists is also reflected by the fact that the number of respective programmes has increased in two ways.

- Firstly, some business schools which did not offer small business programmes two years ago have in the meantime decided to introduce such courses.

- Secondly some of those schools, who offered courses already some years ago have increased the number of programmes, sometimes even to a considerable extent and generally into the direction to stimulate students to opt directly for a small business career. Thus at the Interfacultair Centrum voor Management of the Rijksuniversiteit te Gent in Belgium an additional programme called "Businessplan" has been introducted in which students get the possibility to set up a small business ("on paper, maybe later for real") out of their own business ideas. [8] The University of Bath in the United Kingdom which had gradually enlarged its small business programme in recent years has now introduced a very intensive course called "Graduate Enterprise Programme", a twelve month course of in-company projects designed to place graduates in small firms, following a period of intensive training whilst undergoing a period of close supervision by those who are responsible for the programme at the Business School. [9] An interesting example reflecting new tendencies in a country where the higher education sector traditionally has not played an intensive role in educating managers for small and medium-sized firms (Germany) is the fact that the Hochschule Lüneburg has introduced in the Summer semester of 1985 a new study-model aiming at educating managers who should work in SME's after a specialized and very practice-oriented eight semester study-period. As the main reason for the introduction of this programme the following assumption has been expressed : "Many SME's which

today are still managed by practioneers will need people in future at the top of the company who underwent an academic education programme". The School has introduced a lecture on "Special problems of SMEs" attended by 60 students, a seminar on SME Management (30 students) as well as a starters course ("Establishing a new firm") attracting some 30 students. The demand for these courses is ranked as "high". [10]

Of the more than 30 business schools responding to the EFMD questionnaire only five did not offer small business elective courses. Compulsory projects are run by Manchester Business School and Robert Gordon's Institute of Technology in the United Kingdom and at the Applied Management Centre of the University of Montpellier, France. Courses on the more general theme of "entrepreneurship" are presently offered practically at all business schools in Europe.

The highest number of institutions offering courses for students in the area of management education for SME's is to be found in the United Kingdom. There are altogether 19 institutions currently involved in such programmes, of these ten are universities, five are polytechnics and four institutes for further education. [11]

Thus, in spite of prevailing images seeing business schools as producers of Big Business Executives mainly, a growing interest in function and role played by small business in our economies seems to be arising and it seems to have at least some practical consequences for curricula and offerings. The main reasons for this relatively recent development may result from :

- the "new" image of small business as a possible key factor of economic regeneration in Europe
- a generally and gradually changing relationship between institutions of higher education and enterprises.
- the view that higher qualifications will be required from SME owners/managers in the future
- possible student demands
- enlarged funding for small business promotion programmes at least in some countries. This may have indirect effects at the level of higher business education.

B. SMALL BUSINESS COURSES

The feedback to the above-mentioned questionnaire indicates that two main types of programmes for students on SME management can be distinguished. Firstly, there are a number of more general courses, entitled for example :

- Small Firm Management
- Developing a Business Plan
- Enterprise Development
- Advise and Counselling to Small Business

These topics occur frequently and they are in the average offered in courses lasting 40 to 50 hours.

Less frequently, more specialized courses can be found in the curricula. The following examples should give an impression on the variety of such offerings :

- The Rotterdam School of Management/Erasmus University has on its curriculum a one hundred hour-course analyzing the start-ups' situation.
- The Institut Supérieur des Affaires (HEC-ISA) in Jouy-en-Josas, France, offered a programme called "Reprise d'entreprise en difficultés". In May 1988 the same school started three new optimal programmes (Filière "Entreprendre", Stratégies de Développement d'une PME, PME Management Control), each attracting between 10 and 30 students.
- SDA Bocconi in Milano, Italy, offers an undergraduate programme on Financing SMEs, which lasts 30 hours and has 40 students.
- "Marketing and Small and Medium-sized Enterprises" is the title of a course offered at the Institut Commercial de Nancy (ICN) in France.
- "Stratégie et Management de la Création de l'Entreprise" and "Stratégie et Management de la PME" are two sequential courses offered at the Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC) in Cergy-Pontoise, France
- The National Institute of Higher Education in Dublin, Ireland, runs a course on "Cooperative Management for Small Firms"

- "Sector Analysis" is the title of a programme looking at small business and strategies in a given sector run by the Ecole Européenne des Affaires (EAP in Paris, Oxford, Berlin)
- One of the specialized courses at Durham University Business School (DUBS) in the United Kingdom is entitled "Entrepreneurship and Self Development".

In many cases only one or two of such types of courses are offered per school, but there are also some examples - especially in France and in the UK - where larger comprehensive programmes are taught. Three or more than three optional courses are offered by the Cranfield School of Management, the London Business School, Trent Business School and the Universities of Bath and Durham in the United Kingdom; in France, the Institut Supérieur des Affaires, the Institut Commercial de Nancy and ESSEC belong to the schools of this category. The "Enterprise Development Programme" at the University College in Dublin, Ireland, develops into a big programme on its second level. It lasts 40 hours at the undergraduate level (and is attended by approximately 40 students). The Postgraduate Enterprise Development Option at the same school lasts 200 hours (but it is attended by a much smaller number of students).

As already mentioned, at a few schools Small Business projects are compulsory. Much experience has been gained by the "entrepreneurship project" at Manchester Business School which started more than ten years ago as an option and was made compulsory a few years after its start "by popular demand among students". All second year MBA-students have to work in groups of between three and six participants full time over an eighteen-day period either on a business initiation project or with an individual or a new firm to produce a briefing on a problem central to the existence and future success of the business. The justification for this kind of education for entrepreneurship is given as follows: "Those people who would anyway have become independent entrepreneurs at some point in their careers will now perform rather more effectively. If others adopt certain other entrepreneurial attributes as they work within large entrepreneurial organizations, then that will be a bonus". [12)]

Project-based action learning is an approach which is used by other institutions as well. "In the past, extensive case studies have been used but we are now moving towards an "action based" approach where students undertake studies of existing or proposed small businesses" - this answer from a respondent to the EFMD questionnaire is likely to describe a more general tendency. Several French schools like e. g. the Ecole des Hautes Etudes Commerciales du Nord (EDHEC) in Lille offer similar courses which comprise initial preparation in the classroom followed by a larger period in a small firm under the supervision of the school. [13] The variety of programmes offered by Universities and Business Schools for potential SME managers is - as has been shown - rather large. Consequently, exchange of information related to "best practices" could certainly lead to improved programmes on the broad scale and especially those institutions which plan to introduce courses on SME management could learn a lot from experiences at other schools.

C. EVALUATION

Specific research on how many students of SME courses ended up either working in/or owning their own small firm has not been undertaken yet. The few examples of evaluations, which have been carried out indicate

- that student demand for small business programmes is generally high and
- that graduates who had taken part in respective programmes were more motivated towards small business than those who had not taken part in such courses.

Future research in this area will have to take into account that at least three different career patterns can motivate those who opt for working with SME's. There might be graduates who want

- to start their own companies
- to take over a business which had been built-up before by their own family
- to work as an assistant to the entrepreneur in a small firm and not as a specialized executive in a large company.

Evaluation of graduate's options has up to now only been carried out based on single cases. "There has been no detailed analysis of the contents of existing undergraduate and postgraduate programmes to indicate how substantially they relate to small business and entrepreneurship". [14] Thus only trends and no clear cut statements can be expressed up to now. An interesting tendency can be derived from the following example : a study at Cranfield School of Management showed that of the 50 students participating in the first credit course offered by the School on "Entrepreneurship and Small Ventures", about half subsequently opted for a longer follow-up course on the same topic. 25 % of those who had taken part in the longer optional programme between 1976 and 1980 were running businesses, which were similar to those presented in the Entrepreneurship and New Venture proposals during their courses, 7 % were running their own business in different fields and 68 % did not work in their own business. But from this latter group, nearly 70 % said they would like to run their own business one day. [15] Thus experience seems to indicate that education for entrepreneurship leads to positive results but it seems to be too early to make final judgements on definitive results in a rather rapidly developing area of business school's activities.

D. PROBLEMS

One major general problem related to programmes for future SME managers has just been mentioned in the preceeding chapter : a basic prerequisite to analyze the effects of such measures in a differentiated way is lacking in so far as insufficient evaluation of their results has been undertaken yet. There are no clear answers as to

- the extent to which such programmes change attitudes towards small business as an option
- how many ex-students have actually started up their own firm or
- the number of small firms which have hired graduates or undergraduates.

"What are some of the problems you have encountered in small firms management courses either at the undergraduate or MBA or equivalent level ?" was asked in the EFMD questionnaire. Before we try to

give a systematic overview on the major problems in this area, some of the very symptomatic answers received from the respondents should be quoted :

- "The determination of course contents and focus. We have come to see that it is the application of the contents from a wide variety of other courses on our MBA to the specific context of small business that is most important and most challenging for students"
- "The means of teaching the subject"
- "Resource provision"
- "Difficulties to find small business teachers"
- "The school's attitudes to small business, especially the question of respectability"
- "Faculty awareness and interest, problems of versatility of the smaller firms manager, insufficiant research data"
- "To find appropriate fir giving adequate supervision of associates when growing very quickly"
- "Small business is considered as little big business"
- "Teachers are not used to teach at a "level" of small business managers"
- "Teaching sophisticated techniques is easier (more literature, more cases available)"
- "More "hidden" intuitive, not well-documented techniques required"
- "It takes a long time to develop a course"
- "Some years ago, we said that the teaching programmes were sometimes inadequate, over-sophisticated techniques for the purpose of small firms. But now, many publications about small firms and the research we did led to beginning to resolve these problems"
- "Les modalités pédagogiques de tels programmes se différencient nettement des standards pédagogiques habituels. Cela pose certains problèmes administratifs qui ne peuvent être réglés qu'avec des institutions ouvertes et volontaires. Cela signifie également que le corps enseignant est particulier : soit qu'il s'agisse d'extérieurs, soit qu'il s'agisse d'enseignants permanents, en nombre forcément limité, qui adhèrent à une "idéologie" pédagogique particulière à-normale. Cette "à-normalité" consti-

tue un lien fort pour l'équipe mais génère un risque important de rejet de la part du reste, majoritaire, du corps professoral. Se pose le problème d'une masse critique d'enseignants permanents PME"

- "Work must be project-based. There is sometimes a problem in identifying good projects (staff time). Classroom work alone is useless"
- "Conversion of Faculty can be difficult : (a) generalizing from specialist areas, (b) thinking small enough for student or client groups"

Already this broad variety of answers leads to the conclusion that different problem-areas should be analyzed separately to gain a clear picture on the overall requirements. The following common problems can be identified and described :

a) A possible lack of administrative resou es. Special efforts are needed to built up programmes in a relatively infant area. "Standard" courses are certainly not appropriate to be effective, a whole specialized staff is required knowing the special needs of small business and having done interaction with SME managers of the respective region in order to secure necessary cooperation for certain projects. Business schools' administration should also have an important function in advertising and marketing small business options

b) A possible lack of academic respectability in teaching small business. Difficulties may arise from the fact that "small business teaching requires a specialized staff which cannot easily be categorized into traditional, functionally orientated faculty structure." [16] Teaching and research in this area may thus sometimes be related to the image as of "low level" with the implication that staff members will have a much less respected status than those working in specialized departments for big business. There is also no clear career path for faculty members giving SME courses

c) The lack of appropriate small business teachers. It is obvious that great analytical skills are required as well as a thorough knowledge of small firms environment and the specific influences of small size of companies on management. Traditional curricula seem to be far away from producing this kind of teachers

d) The difficulty to find the proper course contents and focus. Much care is required to built-up course contents which are really adapted to needs and able to promise success. The experience gained up to now might not be sufficient to develop optimal programmes.

e) The difficulty to develop appropriate teaching materials and teaching methods. Effectiveness in education for SME's certainly cannot be reached by simply transfering methods from traditional undergraduate or MBA programmes into this relatively new field. It may also be difficult to find the right co-operation partners for projects within existing SME's. This factor is of special importance as project-based learning is mostly desired. The appropriate number of good cases may also not be available for those teachers who would like to apply the case-method in their courses

f) The lack of time resulting from too small specialized staffs. A considerable amount of time is needed to build-up new programmes with new materials and methods. To produce these is a time consuming factor as well. This may lead to the fact that the number of SME courses in many schools is rather low

g) The lack of research. It seems to be obvious that in the different single member states a large amount of research on many questions related to programmes for SME owners/managers has been done already. Exchange of results and co-ordination of research combined with additional efforts could certainly create the data-base which is needed to provide the basis for extended successful measures

h) The question, how to assess SME courses' performance is an other problem in the field of educating future SME managers, especially when group projects are carried out where individual performance has to be evaluated.

E. CONCLUSIONS

Summing up, it can be stated that the number of SME programmes for students is increasing, and that it seems to be possible for those who offer only one or two elective courses to learn from schools which have more experience and especially from those schools where SME courses are compulsory. In discussing these programmes, the different university and vocational education systems in the various

European countries should be taken into account. The better a system of vocational education that has been established the bigger is the chance that it produces a large number of future entrepreneurs by building up motivation as well as qualification through a relative long educational period providing knowledge as well as practical experience. But even in countries where such prerequisites are given, it might be asked whether the traditional way of creating entrepreneurs is sufficient, especially as rapidly developing new technologies require a broad basic qualification of entrepreneurs combined with the capability to adapt adequately and quickly to new challenges.

Experience seems to indicate that education for entrepreneurship is possible, therefore more and more business schools have started activities in this direction. But this does not mean, that the majority of these schools has yet discovered the possible new market of providing full graduate programmes for SME's future managers. This is probably a result of the fact, that not enough evaluation of the already existing programmes has been undertaken, that the number of known success stories is still relatively small and that - as was described - various problems have to be resolved in this area. Nevertheless, overcoming these barriers seems to be possible, if :

- cooperation of and exchange between business schools help in finding appropriate course contents as well as proper teaching methods and materials. An interesting example of practical cooperation in this area is given on the national level by the United Kingdom's Small Business Teachers Association. This Association organizes through a consortium of Business Schools and Polytechnics an annual Small Business Management Teachers Programme aiming "to provide a comprehensive appreciation of the opportunities for development of small management teaching programmes for both students and practising managers" [17] Programmes for Training Trainers on a European level have not yet been designed. The Annual European Small Business Seminar organized under the umbrella of EFMD, and the Rencontres de St. Gall are at least for many experts a valuable possibility to exchange experiences together.

Increased research into the topic of "Entrepreneurship" could be of great help in this context. As a private initiative, a European Foundation for Entrepreneurship Research (EFER), located in Brussels, has recently been created. This new Foundation will stimulate European research on entrepreneurship and will help to overcome the still existing gap in this area between the respective situation in the US and Europe. These efforts can have a very positive effect on education for entrepreneurship, specifically as more knowledge about success factors leading to wealthy and growing SMEs can stimulate motivation to become entrepreneurial.-obvious successes are made more visible and in a way marketed to overcome image problems both outside and inside schools

- those institutions which offer small business programmes will be able to make sure to build-up appropriate teaching staff consisting of a range of teachers from the more academics to those with a more practitioner orientation
- an integrative approach to small business work is taken. "This means involving students with small companies and vice versa. It also means where ever possible, building from appropriate reseach into programme development. This will help raise the status of the area" 18)
- experience is increased by working also in the two other fields of small business "software" support which will be described in the following two chapters of this survey

It has been demonstrated that there has been a rather rapid development in the activities of higher education institutions towards SME's. If the extensively mentioned barriers will be overcome - and there seem to be ways and means in this direction -, then there is a substancial scope for further expansion of these programmes in Europe.

II. PROGRAMMES FOR START-UPS

A. DELIVERERS

Incentives to run programmes for people who want to start their own business have been rising in recent years. Influenced by respective developments in the United States and enforced by high unemployment governments, employers associations, chambers of commerce, big corporations (in some cases), specially created public or private organizations (like regional or local development agencies), universities, business schools and management centres are active in the area of start-up assistance. The range of measures is from brochures and booklets on setting-up one's own firm to highly sophisticated programmes involving interested "clients" in long term start-up courses or to newly built-up special initiatives trying to create high-tech companies.

A rather detailed and nearly complete list of those institutions in all EEC countries as well as in Austria, Finland, Norway, Sweden and Switzerland which offer assistance to small business (including chapters on each country in which start-up help agencies are shortly described) has been prepared through a project which has been managed jointly by the European Association of National Productivity Centres and the European Foundation for Management Development. [19] Just as they are too numerous, the following description cannot cover all institutions mentioned in this survey. It has, therefore, to concentrate on outstanding examples, especially those which have been developed during the past decade. Thus it intends to provide an overview on the main tendencies currently to be observed in this area.

Generally it can be stated right from the start that the already mentioned shift of emphasis towards an increased role of the higher

education sector is also obvious in the area of providing managerial help to potential entrepreneurs. This trend is not only visible in the United Kingdom and in Ireland, where resulting from different traditions well established organizations with their specific tasks (like the Chambers of Commerce in France, Italy and Germany or the Technological Institute in Denmark) are lacking, but in most other member states of the Community as well. On the other hand those organizations which traditionally have provided software for potential starters did built up additional programmes and new services for this target group. Both trends can be identified in the following survey on offerings in the area of managerial help activities for start-ups.

The "Public technological service network for entrepreneurs" in **DENMARK** has its largest components in the long established Technological Institute in Copenhagen and the Jutland Technological Institute in Aarhus with altogether fourteen Technology Information Centres linked to them (one per county). Both lead institutions have departments which seek to help individuals to set up their companies. These departments provide management training and management support, facilitating the whole process of maturing an idea into the start-up of a company. Their "Enterprise Formation Service" involves a detailed project evaluation, the setting up of a working plan in co-operation with the potential entrepreneur and the attachment of the required expert service from both private consulting firms and technological service institutions to such aspects as management structure, involved technology, financing and marketing strategy. Additionally courses are given "spreading over five evenings in one week for entrepreneurs and newly founded companies, the contents being the financial, economic, juridical and marketing aspects of a small company."

Recently both institutes have also designed an eight-week programme for the special target group of unemployed academics. Each course is attended by 20 - 25 carefully selected participants per course who have expressed the interest to become entrepreneurs and who are academics trained in various disciplines. The results of these programmes can hardly be estimated shortly after they have ended

because if even only a part of those who have attended such courses have succeeded in building up their own business, others still may leave these courses highly motivated and open up their own firms later on.

The Danish Federation of Crafts and Smaller Industries organizes meetings and conferences in order to offer information to potential new firms and those which have recently been started. Some of these activities are directed specifically towards unemployed people funded by the Danish Ministry of Labour.

In the **FEDERAL REPUBLIC OF GERMANY,** the Chambers of Commerce and Industry and the Chambers of Handicrafts still play a major role in providing managerial assistance to potential entrepreneurs. Doing this work they are supported by favourable prerequisites in so far as the system of vocational education in Germany is to a great deal enhancing entrepreneurial perspectives : Those individuals who have reached the "Meister"-level do have a relatively easy option to set up their own business, especially as a long lasting learning process has provided them with a rather high-level of practical experience as well as theoretical knowledge in their respective areas. The Chambers play already a key-role during this learning period, especially in the stage of examiniations. Generally, this potential created by the structure of the "dual system" of vocational training is still a main source for the creation of future entrepreneurs in Germany. The fact that the Chambers are decentralized organizations with regional responsibilities enables them to offer their assistance very close to their "customers". In order to facilitate entrepreneurial activities, regional Chambers of Commerce organize seminars for potential business starters ("Gründerseminare"). These seminars do have an informational as well as a motivational function. A couple of Chambers of Commerce offer a "Retired executive" programme. The business founder can apply for the assistance of a retired executive on a free-of-charge basis.

In addition to the broad traditional basis of small firms start-up assistance represented by the Chambers of Industry and Commerce and the Chambers of Handicrafts a number of new initiatives have

been created in Germany in the past decade. They are to some extent operating on the same line as similar initiatives in other European countries as they involve the sector of higher education as well as new types of help offered by private and/or public institutions. To give some examples :

- The Fachhochschule des Saarlandes in Saarbrücken has founded an institute called INEX (Institut zur Förderung von Existenzgründungen) which offers a basic seminar (25 hours) and a larger start-up programme (160 hours). Both programmes are designed especially for students and graduates and aim to motivate the participants to start up businesses. Participation in seminars is at a subsidized rate of DM 160 for the basic seminar and DM 750 for the longer event; counselling services are free of charge.

- The Institut für Mittelstandsforschung at the University of Bonn has developed a seminar which is entitled "Creation of new firms - microeconomic problems and experiences" lasting 32 hours (16 weekly sessios with two hours each). The participants of the course are students from Bonn University. This programme can be understood as an exploratory experience for future activities concentrating on academics.

- Jointly with "Job Creation Ltd." - an internationally operating company working on start-up projects and based in Britain - the Chamber of Handicrafts in Kassel has built-up an "Unternehmenspark" (a park to start-up companies) offering an "Existenzgründungslehrgang" (a start-up course). This is a very intensive contents-oriented four-day programme especially designed for future owners of handicraft companies.

Special efforts to create firms directed towards people with an academic background in the area of technology have remarkably increased in West Germany in the recent period. Some one hundred science or technology-parks have been built-up or are currently planned all over the country sponsored by universities or local governments. Such centres normally care much more for "hardware" assistance to founders and only marginally for "software" : they do not all seem to have developed a clear concept on how to provide

managerial help to their "clients". But there are some examples of integrated hardware and software assistance, one of which will be described in Chapter IV.

An impressive variety of new start-up programmes has been developed in the **UNITED KINGDOM** in recent years. Special needs have been identified in this area in a situation where the country is facing high unemployment and where the given structure of assistance e. g. through the government's Department of Trade and Industry counselling system (based on the American SCORE model with retired executives providing a network of assistance throughout the country organized on a regional basis) was regarded as insufficient.

Of central importance as a delivery vehicle for new types of programmes to assist start-ups is now the Manpower Services Commission's (MSC) Training Division. This national organization whose major responsibility lies in the training and development of manpower in the United Kingdom has designed seven different start-up courses and it acts as sponsor to those business schools, management centres and polytechnics which are willing to offer these courses and which have been selected to do so. Titles and duration of the programmes are as follows :

- New Enterprise Programme - 16 weeks
- Small Business Course - 6 - 8 weeks
- Mini Business Course - 1 week
- Self Employment - 1 - 2 weeks
- Extended New Enterprise Programme - 50 weeks
- Extended Small Business Course - 24 weeks
- Graduate Enterprise - 14 - 16 weeks

To describe only three of them : The New Enterprise Programme is aimed at men and women who want to start a business which has real potential for growth. It is run by the Scottish (Glasgow), Durham, London, Manchester and Warwick University Business Schools. The programme seeks to offer a chance to launch businesses on a firm footing by providing a "comprehensive grounding in business strategy which will relate specifically to participants' business ideas." The first few weeks of the course are spent in residence at the business school followed by a 10 - 12-week project period in the field to develop and refine one's business plan with the business schools continuing advice and with financial support from the MSC in the form of a weekly allowance and a project budget. The principal elements of the course contents are :

- How to present a business idea
- The need for a business plan
- Researching the market
- Costing, pricing and selling
- Devising and applying business controls including the preparation of forecasts, budgets and cash flows
- Raising funds

During the field-study stage participants learn to conduct market research, finding premises, identifying supplies, etc. Opportunity to discuss the single steps on one's plans with an independant business consultant is supplementary to the close supervision and assistance provided by business schools' experts.

The MSC-sponsored Small Business Courses are offered to individuals who wish to start a smaller scale business, perhaps employing the family only. Student numbers per course range from 12 - 16; the programme consists of four weeks of lectures and six weeks project work.

The Graduate Enterprise Programme tries to stimulate greater awareness of unemployed graduates helping them to develop business ideas and to work on them in order to become able to build up an enterprise.

The Manpower Services Commission additionally administers a project called "Enterprise Allowance Scheme" for unemployed people who wish to set up their own business by compensating for loss of benefit. To qualify, one must have been unemployed for at least 13 weeks and receiving unemployment benefits and must have £ 1 000 to invest initially in the business, must agree to work full-time and their business must be new, independent and small. The programme has a volume to 40 000 places a year and is very successful. Business Counselling is now being integrated into the scheme to help starters do their work properly from the beginning.

The influence of the Manpower Services Commission's sponsorship of courses has "enabled a wide variety of institutions to "learn by doing" and this learning has spilled over into a variety of other programmes within colleges which have traditionally been bereft of any self-employment or small business input." [21] Thus institutions of higher education in the United Kingdom currently do offer a number of other interesting programmes.

The "London Enterprise Programme" run by the School of Management Studies at the Polytechnic of Central London is subsidized by the London Enterprise Agency and attended jointly by people interested to set up a firm and experienced small businessmen. This course is given over four weekends and normally attended by 30 participants.

Trent Business School has developed an evening course (course fee payed by the participants) called "Start your own Business". The average number of participants to this course is 25. They are taught in ten-evening blocks lasting three hours each.

"Firm start", a programme for "higher level" business starters has been designed at Manchester Business School. Participants are trained for one week in residence at the beginning and continue to attend the project on one evening per week or one week-end day for up to one year. The "Greater Manchester Enterprise Programme" offered by the same school lasts for four months and is combined with the possibilities to win a cash prize for those who perform best. This programme is now sponsored by a number of large companies,

including the National Westminster Bank, ESSO Petroleum, Ciba-Geigy and British Coal Enterprise Ltd.

The Northern Ireland Small Business Institute at the University of Ulster at Jordanstown offers a variety of start-up courses, amongst them a full time and a part time "New Enterprise Programme". Ten courses, attended by some 20 students each are organized for graduates to stimulate this interest in starting up their own businesses.

A further major influence on education sector development in the United Kingdom in the area of start up help resulted from pressures on local governments to find their own solutions to unemployment problems. Thus opportunities for local colleges in integrating with a large number of local and community activities have been initiated. There are now various "models of purposive integration of the local college with the local community either through small business centres funded by the local authority or by linkages with small business clubs or other community based organizations." 22)

Partnerships between local authorities and private firms have recently developed into the "Enterprise Agency Concept" which has led to a new type of managerial help for start-ups with considerable results. The umbrella-organization of the respective movement is called "Business in the Community." This is a non-profit initiative using the Enterprise Agency Movement as their tool or resource. There are currently 203 Enterprise Agencies operating in the United Kingdom which have made substantial achievements in business and job creation. Business in the Community's training courses are mainly aimed at Enterprise Agency Directors. Some one hundred directors are trained per year at Durham University Business School and it is planned to lauch another course at London's City University Business School in the Autumn of 1985 leading to the award of MBA's to high calibre seconded executives from British Industry who are working in Enterprise Agencies. A recent survey indicates that 83 of the local Enterprise Agencies who answered a respective questionnaire claimed to have created more than 8 000 new small businesses resulting in nearly 15 000 new jobs. "Eleven percent of respondents starting in business... felt that they would not have started without

the assistance provided. A further 53 % felt that it would have been more difficult to start or that they would have taken longer to do so... without assistance from an agency." [23)]

Start-up assistance in the high-technology sector of the United Kingdom is provided through a number of science parks which are in most cases closely linked with universities and other institutions of higher education.

In **BELGIUM** a net of training centres which assist also start-ups has been built up through the Institute for Permanent Education of the Middle Classes. Universities have developed or are planning to build up start-up assistance programmes in this country as in other European states.

The Rijksuniversiteit te Gent will begin such a programme in 1986. The Université Libre de Bruxelles has created a "Centre de Technologie et de Gestion des Affaires (C. T. G. A.)." This Institute offers a free of charge programme which is sponsored by the European Social Fund for people who have been unemployed for more than one year. The course is designed for 20 participants and aims at giving basic skills and knowledge to prepare start-ups. C. G. T. A. has also technical service facilities in an area south of Brussels for those new companies who want to have indirect access to the research institutes of the University. Counselling services are also provided by the C. T. G. A.' experts.

In **FRANCE** a specific start-up body has been created. It is a national agency - ANCE ("Agence Nationale pour la Création des Entreprises") - having been set up in 1979 to promote starters. It operates with local bodies not only in marketing grants or loans for starters and helping them with the administrative procedures for setting up their own firms, but also developing local clubs and networks of new entrepreneurs in order to facilitate exchange of experience. A supplementary network called "Allo Création" is functionning also to promote exchange, especially between new entrepreneurs and experienced businessmen.

French Chambers of Commerce assist founders by providing counselling services. Given a very different vocational education system in France, their role in this respect seems to be of minor importance compared to the one of the German Chambers of Commerce and Industry. A rather recent development in French assistance to start-ups is represented by the "Boutiques de Gestion" which are local associations each having its own staff of experts to help individuals or groups wishing to start a business.

Intensive programmes for start-up assistance are offered by a number of French Business Schools (which are closely linked with the Chambers of Commerce). The "Centre d'Enseignement Supérieur des Affaires" (CESA) has contributed to the creation of more than 100 enterprises in the last six years through its "La Création d'Entreprise" programmes, which have the following objectives :

- to develop potential small firms entrepreneurs into managers, furnishing them with the requisite knowledge by strongly influencing their attitudes and behaviour
- to assist them in their decisions when they are in the process of building-up their projects and during the initial firm start-up phase

This scheme consists of eleven three-day modules with one module per month and home work between times. The participants for the programme are carefully selected. They have to present written proposals of their projects (including information on their own personal background, product/market and financing proposals and information on progress to date). If these prerequisites are fulfilled they are admitted to attend after a lengthy two or three hours interview with a positive impression.

Création d'Entreprise programmes are also offered at various other French business schools and by institutes created by the regional Chambers of Commerce. Such an institute in the region Lille - Roubaix - Tourcoing, the "Centre de la Petite Entreprise" offers three times a year on thirteen half-days a basic start-up programme covering a wide range of information with different topics per session (le marché, la commercialisation, le juridique et fiscal, les relations

humaines, la comptabilité, les besoins financiers, la trésorerie, le financement à court terme, le financement à long terme, les coûts et prix de revient, la microinformatique pour les petites entreprises, l'organisation des productions, le plan de lancement commercial, l'organisation personnelle).

A much larger course also called "Création d'Entreprises" is on the programme of "ESPACE Flandre" in Lille. The French Government is subsidizing this highly sophisticated programme which is attended by 15 participants per term. This course is directed specifically towards unemployed people aged between 26 and 54. The European Communities sponsor a "Programme d'Appui à la Création d'Entreprises Innovantes" at the Lyons Graduate School of Business Administration. This is a very sophisticated and much targeted programme.

Several institutes do offer especially designed start-up programmes in **IRELAND.** The Irish Industrial Training Authority (AnCO) organizes three different courses, one of them specifically designed for unemployed young people. This course lasts 15 weeks and is free of charge. Another special target group for AnCO's activities is the redundant manager. All courses are rather successful with a high percentage of start-ups.

Shannon Development, a regionally active private organization assisting start-ups has developped a programme "Entrepreneurship and High Technology" which is offered in twenty weeks with two evening sessions per week. This course is aimed at middle and senior managers trying to get some of them to start firms in the high technology area. A similar course has recently been developped by the National Institute for Higher Education in Limerick. Shannon Development is also offering an evening course (one evening per week, altogether eight weeks) on "start your own business".

In **ITALY** the Chambers of Commerce, Industry, Agriculture and Handicrafts play a major role in providing start-up assistance. An important recent training initiative has been the specialized SME training programme which is administred through ASSEFOR (Asso-

ciation for Training and Assistance for SME's) whose members comprise the Chambers and various business associations. Public sector institutions such as FORMEZ (Institute for Vocational Business Training in the South) and IASM (Institute for Development Assistance in the South) do offer training and/or counselling services for SME's and for start-ups. Very sophisticated start-up courses are run by :

- ISTUD (Istituto Studi Direzionali S. p. A.) in Belgirate offers in co-operation with the Confederazione Generale dell Industria Italiana a twelve-week programme which is split into two-week blocks over a six-month period and designed for young individuals who have already undertaken or are willing to undertake an entrepreneurial activity. The programme covers training in functional areas like control, marketing, finance, organization and strategy and to topics related to the entrepreneurial function e. g. innovation, creativity, the role of the entrepreneur and the management of a family business. This programme started in 1982 with EEC-sponsorhip

- FORMAPER, the Training Programme of the Milan Chamber of Commerce especially directed towards SME owners is offering two courses for potential entrepreneurs. The "Corso FORMAPER" is a short programme lasting 15 hours and aiming to teach "greater awareness, more expertise" for the target group. Yearly 130 persons take part in a second seminar "Per nuovi e potenziali Imppenditori" lasting nine days with three hours residential training per day.

- Several workshops and seminars on topics like "How to start a successful company" or "New business development" ranging from one day to eight days are held regularly at SDA Bocconi in Milano. The programme on "New business development" which formally has been a longer project, was reshaped in 1987 to a coherent and compact eight-day course. In 1988 a number of special seminars on selected topics, normally lasting one or two days, have been developed as well.

Business Schools are increasingly involved in training for start-ups in **THE NETHERLANDS.** The Technische Hoogeschool in Delft is currently organizing its third programme called "Startende Ondernemingsleergang voor Academici" (start-up course for academics). There are two prerequisites to be fulfilled by potential participants to be selected for this course : they must possess a university diploma (on a technological subject) and they must be able to present concrete plans on starting their individual business. The programme is very practically oriented and highly intensive lasting over 13 weeks. It informs in its first stage on more general economic matters to go on to more detailed management problems and it requires each participant to write gradually a business plan taking into account the whole contents of what has been taught during the course. The business plan has to be defended by the participant in a discussion organized with a group of managers who have practical experience. This programme is considered to be very successful and it is sponsored by the Dutch Ministry of Economics (Chapter IV will contain a detailed description of another example from Dutch Higher Education).

An interesting start-up assistance project in the Netherlands has been initiated by Philips and carried out by Job Creation Ltd. Philips acted as sponsor for two years for Job Creation Ltd. to build up a business centre in The Hague and set up a team of experts which offered advisory services and broad practical assistance. The approach which was used by these experts was to identify and to remove the barriers between an entrepreneur's concept and its realisation in the form of a successful business. Thereby a large part of their work had to be educational. They had to act at the same time as "sounding board, adviser, devil's advocate, stimulus, psychiatrist and ally". A main objective was to organize training "tailored exactly to the needs of the entrepreneur". [24)]

Philips involvement into the project ended after two years and the project was then continued by the City of The Hague and a Dutch bank. In the first two years 365 jobs were created in 142 enterprises (35 existing and 107 new). Fourty percent of these companies were in production, 45 % in services and whole sale and 15 % in retailing and catering.

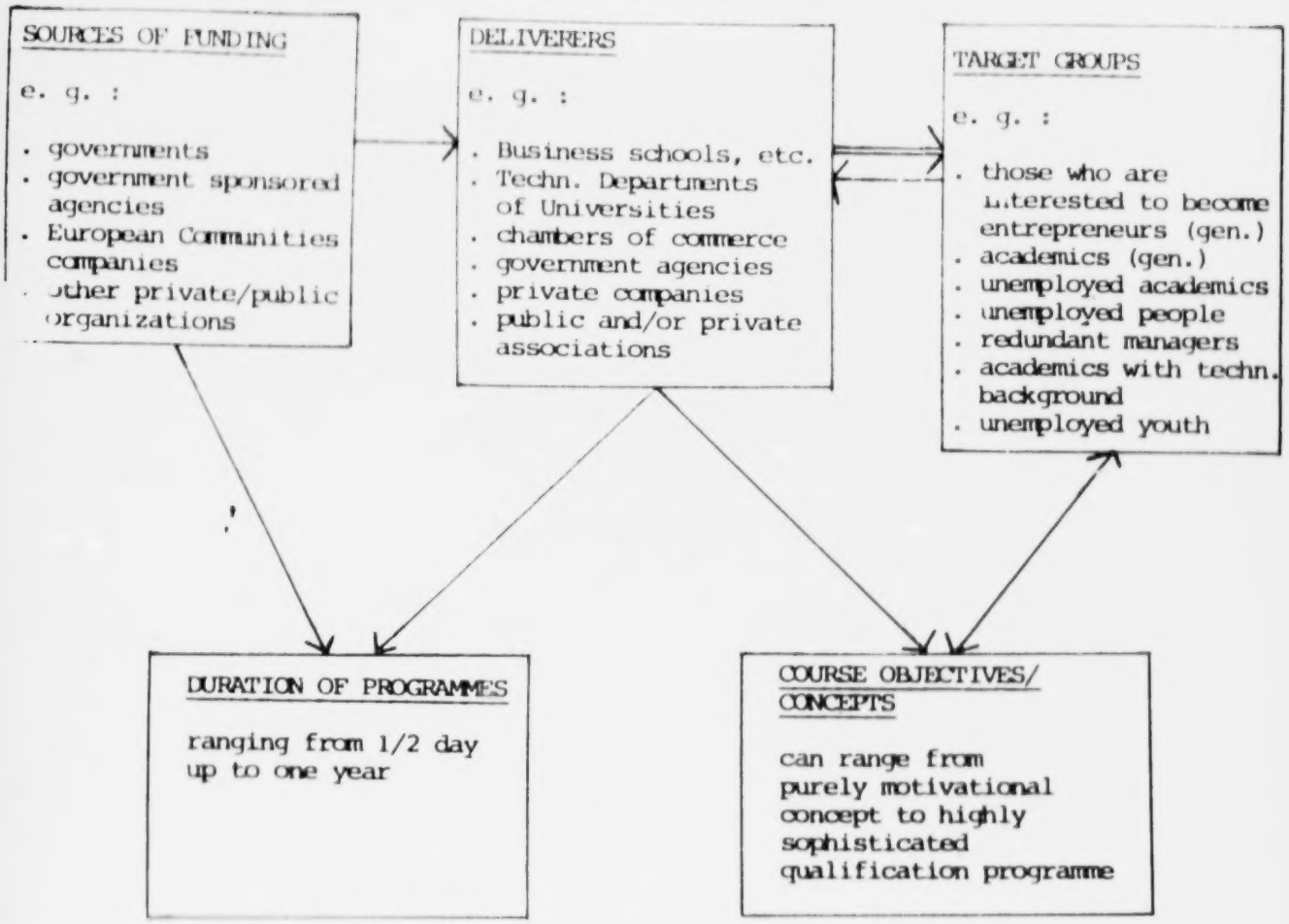
In **GREECE, SPAIN** and **PORTUGAL** start-up assistance is provided by special institutes created for the promotion of SME's, like HOMMEH in Greece, IAPMEI in Portugal and IMPI in Spain. COPRAI, an organization created in 1967 by the Portuguese Industrial Association, has developed an integrated course for young managers and innovative executives, which lasts altogether 770 hours and aims at securing valuable start-ups. This course is subsidized by the European Social Fund. Short courses are also offered by the same institute.

The activities of one of the leading Spanish business schools, ESADE in Barcelona, are described separately in the last part of this report.

B. EVALUATION

The large variety of start-up assistance offerings in the countries of the European Community can easily be derived from the fact that those components which do influence the general set-up of respective programmes (like deliverers, target groups, sources of funding, courses objectives/concepts or duration of programmes) are not only influencing each other but can also be split up as each of these components represents a number of different possibilities thus producing an even bigger number of variables influencing each other as

can be shown with the help of the following exhibit :


SOURCES OF FUNDING
e. g. :
. governments
. government sponsored agencies
. European Communities companies
. other private/public organizations
DELIVERERS
e. g. :
. Business schools, etc.
. Techn. Departments of Universities
. chambers of commerce
. government agencies
. private companies
. public and/or private associations
TARGET GROUPS
e. g. :
. those who are interested to become entrepreneurs (gen.)
. academics (gen.)
. unemployed academics
. unemployed people
. redundant managers
. academics with techn. background
. unemployed youth
DURATION OF PROGRAMMES
ranging from 1/2 day up to one year
COURSE OBJECTIVES/ CONCEPTS
can range from purely motivational concept to highly sophisticated qualification programme

As has been demonstrated in the preceeding chapter, a relatively high number of possible combinations of these variables can indeed be found in the range of existing start-up programmes in the European Community. But there are also certain trends to be identified giving a somewhat clearer picture when looking closer at the development of the above-mentioned components in recent years :

DELIVERERS : There is a shift towards a greater involvement of the

higher education sector (including education in the area of high-technology) in start-up assistance offerings all over Western Europe.

SOURCES OF FUNDING : Direct and indirect public subsidies clearly dominate in the field of sponsoring start-up assistance especially as a consequence of high unemployment rates. The number of big companies which are interested to act as sponsors seems to be increasing as well.

TARGET GROUPS : Offerings for graduates from Technical Universities and respective institutes have grown considerably in recent years resulting from the rather big number of newly founded science and technology parks. On the other hand, it is likely that non-specialized categories of people who want to become entrepreneurs will stay a main target group for efforts in this area. Special groups (unemployed, youth, redundant managers, etc.) will stay a target group in the future as well but respective courses will probably not increase very much (with the exception of special programmes for women now offered successfully in the United Kingdom).

DURATION OF PROGRAMMES : There is a tendency for subsidized courses to become longer; non-subsidized courses will stay short programmes (as they are normally now).

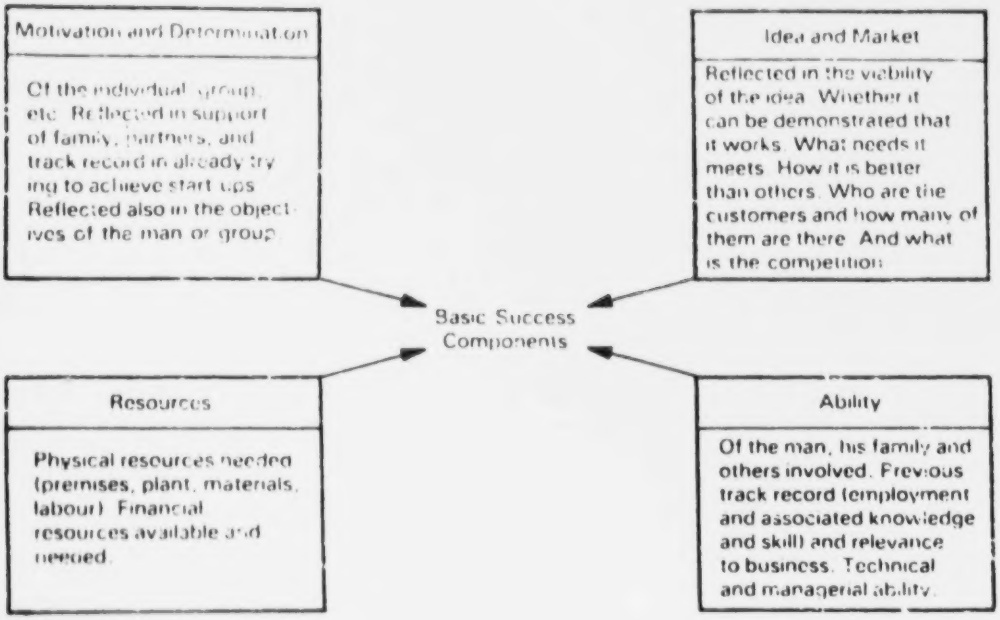
COURSE OBJECTIVES/COURSE CONTENTS : Further efforts will be undertaken to reach the overall objective to increase the number of vital new businesses by using carefully designed start-up programmes which can be characterized as having highly appropriate course contents and using effective teaching methods.

At least two basic prerequisites to reach this aim are presently given :

- experience with start-up programmes gained up to now can be combined with
- the application of very sophisticated results from research which are usable in practice.

Thus very promising models for programmes have been developed and their elements are used in many courses. These models have been built up by taking into account the

KEY COMPONENTS IN THE SUCCESSFUL DEVELOPMENT OF SMALL BUSINESS [25]


Motivation and Determination
Of the individual, group, etc. Reflected in support of family, partners, and track record in already trying to achieve start ups. Reflected also in the objectives of the man or group.
Idea and Market
Reflected in the viability of the idea. Whether it can be demonstrated that it works. What needs it meets. How it is better than others. Who are the customers and how many of them are there. And what is the competition.
Basic Success Components
Resources
Physical resources needed (premises, plant, materials, labour). Financial resources available and needed.
Ability
Of the man, his family and others involved. Previous track record (employment and associated knowledge and skill) and relevance to business. Technical and managerial ability.

By combining these basic elements relevant for the successful development of a small business with knowledge on the stages in the process of starting a firm (including the respective needs on each stage) different programme possibilities for small business courses can be derived. The stages in the process of starting a firm range from acquiring motivation via finding the business idea and validating it to the identification of resources, negotiating to get into business and finally to the start and survival phase of a company.

Much progress has been made as well in finding appropriate approaches on how programmes should be designed methodically. Such

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methods include for example :

- project based approaches
- action learning as well as
- analytical based approaches

The fact that a large variety of courses do exist in Europe and the given possibility (based on experience and research) to design programmes reflecting real needs does, of course, not necessarily lead to an overall positive evaluation of the short and long-term effects of these start-up programmes.

The possible quantitative and qualitative results of such activities for the economies in the European countries are unknown as yet (and it will be very difficult to measure them). Data are only available from single cases and mostly from such projects where private companies are involved. (Thus, for example, the above-mentioned Job Creation Ltd. has published respective data for obvious reasons.) Some business schools have - as has been indicated above - given the numbers on how many companies and jobs have been created and results have been considered as positive.

Notwithstanding the given variety and various rather good offerings in the field of start-up assistance obviously not such a number of vital new companies have been created yet that one could speak of having found the key to provide a basis for a broader wealth in Europe. But it could also well be that European economies would even suffer more, if such initiatives would not exist and do their work.

C. PROBLEMS

Major problems in start-up assistance are closely related to the question of how to evaluate respective activities. Even if more data would be available on the numerical effects of such measures it would be insufficient to take into account only these numbers. In analyzing results at least two other factors have to be considered : the potential viability of newly created companies has to be taken into account as well as the very important question on where, in

which production area or in which sector of the economy new companies and new jobs have been created. If designed without a precise knowledge of the given macro-economic situation (respective trends and especially concrete market-perspectives) such programmes can result in overall negative effects : "It should be clear, that start-ups supported by public institutions are subsidised competitors for existing companies which often in structurally too overloaded markets do prevent an effective reduction of capacities... This applies for example for start-ups in the whole production area close to steel." 26)

Similar critical remarks have been made on "the competition between Lord Mayors" to set-up technology parks and centres. Facing high unemployment and structural problems in the economies it seems to be a temptation to create such centres, even if various of the necessary prerequisites for success are lacking. In the long run these Technology Centres can only function as creators of valid high-technology start-ups if

- a network of transfer institutions from existing research facilities exists and
- can be combined with the necessary hardware (finance and physical facilities) assistance (which is normally provided) as well as
- adequate possibilities to give management training to founders who are normally young engineers and often have neither theoretical nor practical management knowledge or experience.

American experience seems to indicate that another point is important for the survival of such centres : they should be located in a desirable area in which to live in order to attract the best potential founders. Only a few of the newly founded centres really focus on the overall combination of these factors and many of the others will therefore probably not be successful.

Respondents to the EFMD questionnaires saw the following problems related to small business start-up software assistance (training, information and advice) when asked on particular emphases required :

- "How to find a qualified staff"
- "How can business ideas be generated ?"
- "How to assess the market"
- "How to put together an integrated and cohesive business plan and to impart the skills to implement this ?"
- "The Product Market Assessment"
- "Marketing, finance and looking at the idea as a business"
- "Planning the marketing of the product"
- "La compréhension des documents comptables et financiers"
- "La présentation du projet"
- "The initial selection and screening of ideas"
- "Unemployed people who have a desire to start a business often lack the ability to find suitable projects on their own"
- "Testing the idea"

Similar to what has been described in the previous chapter (on SME-courses for students) certain common problem-areas can also be identified in the field of providing courses for start-ups, e. g. :

- The lack of appropriate teachers. As there is practically no tradition in educating specialists for this very new field big parts of teachers' abilities have to be "learned by doing". High quality standards are required : to some extent such teachers have to be specialists and generalists at the same time with a good knowledge in micro- and macroeconomics, management knowledge and abilities and educational (behavioural, psychological, etc.) expertise. Open-mindedness and readiness to exchange experience and to learn from others in order to constantly improve one's own abilities are basic requirements as well.

- The lack of time. As has been mentioned, promising models of programmes have been developed. They represent proper contents as well as adequate teaching methods. Nevertheless, each course has to be developed carefully by analyzing which elements of those models would fit into specific needs. Time is also needed in order to make many contacts for projects, identifying these projects etc. This requires time which is especially lacking when staffs are too small and an appropriate division of labour can not be undertaken.

- The problem of image, especially for academic institutions. Providing start-up assistance does not necessarilly fit into the traditional image of institutions of higher education. Thus images of academic work as being far away from practice have to be overcome by making clear that nowadays academic efforts can directly result in very practical effects.

- The lack of financial resources. Notwithstanding the fact that many institutions (especially in the United Kingdom) do receive relatively considerable amounts of money in form of public sponsorship, financial constraints do play a role when e. g. too short programmes have to be offered or teaching staffs are too small to do appropriate work.

D. CONCLUSIONS

In sharp contrast to the respective situation in the United States of America where practically one centre, the Small Business Administration (which sponsors nationwide the Small Business Centres and the Small Business Institutes and which stimulates linkages between the universities with state and local government agencies, the financial community, professional firms, trade and business associations and the Chambers of Commerce [27]), is to be regarded as the central source which is - successfully - influencing start-up assistance, the European scenary in this field is clearly characterized by a tremendous diversity of activities. An overview on this European situation - which is not surprisingly so diverse given the historical development - has been provided in the previous pages of this report and the reasons leading to this variety have been analyzed.

That the European picture in start-up assistance is so manifold must, of course, not mean, that the overall judgement on it should be negative. As we can experience and study so many different examples (with different grades of quality also involved) we do have the chance to learn from each other as well. Without destroying structures which have developed historically, European diversity can be turned into an advantage if, at least, two prerequisites could be reached :

- knowledge on respective programmes in the different countries of the Community should become more wide-spread. This can be relatively simply achieved by using European institutions to assist them in doing research and by helping to distribute its results to those who are directly concerned
- exchange on practices and exchange of practices should be supported to the necessary extent. This could lead to an overall improving development to the benefit of those who are directly and indirectly involved

Recent tendencies are clearly in the direction towards the fulfilment of these prerequisites.

As we still seem to be in the stage of expansion of start-up programmes, improved knowledge and intensified exchange are of even greater value, especially for institutions in those countries where experience is less than in others.

The above remarks do imply, of course, a relatively positive answer to the rather important question on the economic effects of these measures. There is indeed some debate on whether these programmes really do contribute to improve the overall picture of economic performance in Europe. Criticism concentrates mainly on two possible disadvantages :

- that resources might be wasted and illusions produced at the same time e. g. in supporting science or technology parks which - if wrongly planned - might in the long run have no chances for survival and thereby no company creation effects at all and
- that new forms of subsidies would be developed with start-up assistance which might not bear fruits. This relates very much to hardware but as government subsidies are in practice often offered to combined hardware and software projects this point would be especially counter-productive if subsidies would be given to such sectors of the economy where not expansion but retrenchement should be on the agenda if the rules of market economics are respected.

Both considerations are fully correct. Thus start-up assistance only seems to be reasonable if very careful planning especially looking at the potential products/markets of possible future companies is provided which at the same time tries to avoid that resources are misused and that not more than illusions are created.

Only by taking into consideration these critical aspects will start-up programmes have a chance to contribute to the economic wellbeing of the European Community.

III. PROGRAMMES FOR EXISTING BUSINESSES

A. DELIVERERS

Nearly all institutions which offer programmes for business start-ups in Europe also provide advisory services for existing businesses. The overall number of post-experience training institutions which are active for SME's is actually higher than that of start-up assistance deliverers as not all service providers which are active in the field of management training for existing small businesses also assist start-ups. Additionally, a great number of private service deliverers - including banks - acting especially in the area of counselling for SMEs is contributing to the fact, that offerings aiming at the improvement of existing small business management reflect an even more diverse delivery structure than the one that has been described in the previous chapter of this report.

Theoretically "the market" for post-experience courses for SMEs can be estimated as being rather big given the high number of companies with less than 500 employees in Europe and the fact that all available data indicate that difficulties small and medium-sized firms have to face are to a large extent related to issues in the area of management. Lack of management expertise can be seen as a leading cause of small business failure. Financial support for small firms may in some cases be helpful but it will never lead to real success if management problems do exist in a company. The needs for substantial management training can also be stressed by looking at factors which gradually have made the role of owners/managers of SME's somewhat more difficult : they do have to cope e. g. with more complex market situations and they have to manage innovation processes properly in a time of rapid technological developments.

The demand which exists in practice for training measures for existing SME's - as expressed by the actual readiness of owners/managers to accept respective offerings - cannot simply be derived from the above-mentioned "objective" needs. It is also dependent on factors like knowledge about the offerings or the awareness of such needs and it is also dependent from the kind of offerings and how they are presented. Only if programmes are estimated as being appropriate to "subjective" needs of SME owners/managers will they be ready to make use of them.

A major focus of small business development support in Europe in recent years has been on technical innovation and research and development. A variety of new specialist institutions aimed particularly at the small business has been created in this area. They often aim at improving information and awareness about the necessity to foster innovation by providing a mixture of software and hardware assistance. Special institutions to help business which are in difficulties have also been founded in the last decade in some European countries.

Following the objectives of this report, this chapter will mainly deal with offerings by describing examples of programmes and evaluating whether they could meet the needs of potential "customers".

The above-mentioned survey on "Small Business Assistance in Western Europe" gives a relatively detailed picture on the institutions which are involved in post-experience training for SME's and it describes also shortly their main targets. The following overview will concentrate on major recent developments in this area, where again a greater involvement of the higher education sector is characteristic for new trends.

The National Agency of Technology (a government directorate of the Ministry of Industry) in **DENMARK** makes use of the Technological Institutes' regional Technology Information Centres to offer free advisory services ranging from :

- answering questions
- assistance in evaluating and
- recognizing problems and needs

and it initiates contacts with specialists/consultants who assist in those questions relevant to local industry and who build up linkages with local subcontractors. The Technological Institutes provide prolonged consultancy services and run especially trade-orientated management courses for those responsible in SME's.

The Danish Employers' Confederation has its own School of Small Business which organizes short courses (three half-day sessions over three weeks) aiming at an analysis of strengths and weaknesses of businesses in order to stimulate greater awareness for necessary changes. This approach was originally introduced via the Swedish Employers' Federation's manual "Look after Your Firm" which has proved to be very successful and is now influencing respective activities in other Scandinavian countries as well.

The School of Small Business offers locally across Denmark a management course for leaders from crafts and smaller industries on one afternoon per week over a period of five weeks (for a maximum of 16 participants each). The course structure is equally divided between cases, theory and the particular problems of the participating firms. The following questions are addressed :

- What is the basis of a company's activities, is this basis strong enough ?
- Should a company sell other products or services, or should it market its products in a different way ?
- Is the financial side of a firm under control, is it making money and where do the profits go ?
- What are the functions of management and what style do the various types of managers use ? Are managers able to motivate employees, for the benefit of both parties ?

A more specialized course lasting altogether 250 hours is currently being introduced and it is expected that 200 - 400 participants will attend this new programme in 1986.

The Danish Management Centre has developed a programme in six three-day blocks for managers of SMEs which is specifically designed to fill the gap between courses for owners/managers of small firms and managers in large firms.

A dominant role in delivering small business development software assistance in **WEST GERMANY** is played by the Chambers of Industry and Commerce and the Chambers of Handicrafts. They have created numerous institutions on the regional level which offer further education programmes for their members (membership to these organizations is obligatory in West Germany) including special programmes for owners and managers. The quality of these programmes depends on the regional strength of the Chambers and the special interest regionally responsible Heads of Chambers of Commerce do have in questions of furhter education generally.

Various trade and industry associations are also delivering advice services for SME owners/managers. The "Rationalisierungs- Kuratorium der deutschen Wirtschaft", a national management and productivity centre is also very active in offering software assistance to SMEs via its central office and sub-offices in the different German states (Länder). It is publicly recognized and sponsored and offers a wide range of training activities related to small firm need at subsidized rates.

With the exception of some Fachhochschulen (polytechnics) and those university institutes which are linked to technology parks, the sector of higher education in Germany is not very active in the area of managerial help to SMEs, altough there seems to be a future "market" : The University of Augsburg has developed an extensive management training programme offered to managers from big and small companies as well. The courses are free of charge and to 40 - 50 percent attended by managers from small and medium-sized businesses.

Numerous technological information and advisory centres mostly supported by regional governments are giving consultancy assistance to SMEs all over West Germany. These centres involve external experts and their programmes are publicly subsidized up to 50 %.

As in the field of start-up assistance, the higher education sector is currently a very important deliverer of managerial assistance for small and medium-sized firms in the **UNITED KINGDOM.** To some extent complementary to its start-up courses, the Manpower Services Commission co-operates with university business schools, regional management centres, polytechnics and private consultants by offering via these institutions/persons seven different programmes which have been developed for owners/managers from firms which are seen as having a potential for growth. MSC is currently sponsoring also some 80 pilot programmes which are variants of the more standardized programmes and which try to meet specific needs on the local level and which may provide a development base for future activities. Two major programmes run by business schools and financed by the Manpower Services Commission are :

- The Management Extension Programme. This is a scheme used by more than thirty Business Schools and Polytechnics throughout the United Kingdom in which the needs of selected small businesses that are trying to expand can be tackled by utilizing the skills of experienced but temporarily unemployed managers. The objectives of the programme are mainly to facilitate the growth of smaller firms, to provide management development and retraining of unemployed managers to enable them to work in the small business sector and to offer a means of extended recruitment and selection by the smaller company to meet their everyday managerial needs. Some 12 - 16 suitable small firms are selected per programme by the respective University. A similar number of experienced redundant managers are also selected by interview and carefully matched with the participating companies. The managers are given an intensive refresher course at the University's Business School before they commence their assignments. Then they clarify during one week with their partner company details of a project which can cover a specialized area like an engineering discipline, production, marketing, finance, etc. After a further week of instruction at the Business School on consultancy and project management, the managers move out to work on their companies' projects for a period between 10 and 26 weeks reporting at fortnightly intervals to their university supervisors. On completion of his secondment each manager submits a brief

report. Some of them are offered full-time employment afterwards. As firms only have marginal expenses with these projects many companies have actually taken advantage of this form of know-how transfer at low costs.

- The Growth Programme which was originally designed at Durham University Business School for companies who also wish to develop their business. The format is a linked series of modules taking place fortnightly on two weekend days over a twelve-week period. Owners/managers who participate in this programme are provided with encouragement to take a systematic approach towards exploiting new products, process and market development.

In addition to MSC-sponsored services a number of other interesting programmes are carried out in the United Kingdom. "Tools for Growth" is a development programme subsidised by the European Social Fund and by Greater Manchester Economic Development Corporations run by Manchester Business School. Owners/managers from firms with a growth potential attend 14 evening sessions (3 ½ hours each) and a final weekend to get in touch with new ideas on how to intensify and expand their business activities. Manchester Business School also organizes a variety of courses on innovation management and creativity.

Small Business Export Development Programmes are also offered in the UK, e. g. Ulster Polytechnic runs a programme over a twelve-month period specifically to enable locally based firms to successfully go into export markets. The programme aims at :

- overcoming small firms reservations about exporting
- informing participants about the extensive range of export support services available in order to encourage their use
- facilitating the evaluation of company resources
- giving guidance in the selection of target markets
- enabling participants to comply with legal requirements
- assisting participating firms to obtain profitable export business.

Sundridge Park Management Centre offers a number of normally one week specialized seminars on subject areas for small and medium-sized firms. These non-subsidized courses are attended by an average of 10 - 14 participants and are e. g. entitled : 55

- Principles of Finance
- Profit Management
- Selling to Industry
- Principles of Effective Management

Training courses for Small business trainers from academic backgrounds are offered by the Polytechnic of Central London. Trent Polytechnic's Small Business Centre organizes a yearly series of five evening modules for SME owners/managers. Each module lasts three hours and the following topics are covered : finance, marketing, production, management and microcomputers. The price per module is £ 40.

The local Enterprise Agency movement which is co-ordinated by "Business in the Community" in the United Kingdom aims to stimulate local enterprise development as well by utilizing its service network which has been built up with the help of larger companies.

The British Government is directly involved in SME counselling via the Department of Employment's Small Firms and Tourism Division utilizing a field staff of approximately 300 counsellors within its regional system of Small Firms Centres. Big enterprises do not only try to assist SMEs via their involvement in the local Enterprise Agency movement; in some cases they have established "Small Business Units". "Small firms' contribution to economic and other facets of life in the UK makes them strong contenders for support from any large company professing to have a sense of social responsibility. The arts, sport and medicine... have long been recognized as worthy recipients of support, and the addition of the small business sector as a potential beneficiary of the appropriate kind of help is only surprising because of the lateness of its entry into the field". Thus does Shell Ltd. formulate the reason for its respective activities.

In **GREECE** four innovation centres have been established in different regions of the country by HOMMEH, the national organization of small and medium-sized industries and handicrafts. Each centre consists of a small multi-disciplinary team (an engineer, an economist

and one other person) who regularly visit companies and the Greek technological infrastructure (especially Universities) to match the demand for and supply of innovations.

HOMMEH's central technological training department has designed an interesting scheme which tries to combine national expertise with foreign experience. Relatively homogenous groups of participants (by branch) of SME managers participate in a three-step programme :

- firstly, six to eight seminar modules lasting four respectively three hours are given on management questions like cost accounting, production, etc.
- secondly, selected participants from the first part of the scheme are given the opportunity to study company developments by visiting a country with a more advanced economy.
- thirdly, those who have participated in that mission are involved in a joint exercice with those who did not attend to pass on their experiences.

The ELKEPA (Greek Productivity Centre) Management Institute has decided to form a special department for assisting SMEs. Its objective is to integrate research with training and consulting SMEs. The philosophy of intervening is mainly based on the recognition of the fact that the development of SMEs primarily depends on the quality of decisions made by the owner/manager.

The Management Institute of ELKEPA in Athens offers special short-term training programmes for SME owners and SME managers in all functional areas of management. In the long term programmes of Marketing, Management and Finance special attention is given to candidates who are SME owners and SME managers.

The Management Institute has also decided to introduce in Greece the Business Development Programme of the Irish Management Institute (cf. chapter IV, B).

In **PORTUGAL**, IAPMEI, a government agency for the assistance of small and medium-sized companies promotes the idea of training to

Industrial Professional Associations and assists them to organize courses and seminars. It also supports marketing courses for SME managers and trains fresh graduates to prepare them free of charge to work later on in SMEs thus providing a kind of personal transfer. IAPMEI acts as sponsor, subcontracting a number of its training programmes to organizations such as COPRAI (the Productivity Department of the Portugese Industrial Association) or CIFAG (Centre for Management Training). COPRAI is currently running courses which focus on Small Business Management in the EEC context entitled :

- Modern Management of Small and Medium Businesses in the EEC environment (five three-day modules)
- How to get access to EEC markets (also five three-day modules)

A specialized small and medium-sized enterprises training programme in **ITALY** is administered through ASSEFOR, the Chamber of Commerce' Association for Training and Assistance of SME's. The programme consists of four main activities :

- Elaboration of didactic programmes for trainers and local project managers for entrepreneurs and executives of SMEs
- Training of trainers and local project managers
- Training entrepreneurs and SME executives in industrial areas throughout the country with about ten to fifteen participants who meet two or three times per month and debate their problems under the guidance of experts and project managers
- Collection and distribution of pertinent information to small business owners and managers with the use of computer systems and data banks.

A main characteristic of this programme is that it aims at creating a network of small groups of SME entrepreneurs who are actively and collectively involved in raising productivity and innovation, thus trying to increase competitiveness in the area and consequently prevent declines in employment.

The training programme for entrepreneurs is offered by 40 Chambers of Commerce and it runs about 120 times every year with adapted versions for different industries. CONFAPI (on the national scale) and FORMEZ (in the South) are both large SME service providers in Italy as well. Both offer a range of programmes for managerial assistance to SMEs.

Some institutions representing the sector of higher education in Italy are directly involved in providing software services for SMEs. Bocconi University in Milan offers the "Corso di Sviluppo Imprenditoriale" which takes place for a total of six days in three two-day blocs over a three-week period and is not subsidized. The materials used and the course contents are based on interviews with some sixty entrepreneurs in the Lombardi region. The course covers :

- Module I : signs and causes of success and failure
- Module II : improving economic and financial results in the short/medium term
- Module III : medium/long term performance and how to improve it.

An interesting example of an **IRISH** small business development programme will be fully described in chapter IV of this report. Shannon Development offers a variety of courses for SME owners/-managers ranging from one day to eight weeks (one evening per week) programmes. It has also designed a special "Course ware Development Programme" for potential trainers lasting 26 weeks and it offers a 30-week programme "Graduates placed in SMEs" which tries to enhance SME management development through the transfer of personnel expertise. AnCO provides a "Retired Executive Panel" by which retired executives are linked to assist small firms. It also offers an in-company training development programme through visits of tutors in companies (six times over five months) and several management courses on different management topics.

The main deliverer of SME business development programmes in **BELGIUM** is the "Economic and Social Institute for the Middle

Classes (IESCH) which was created by the Ministry of the Middle Classes. IESCH carries out some 400 technical assistance measures to SMEs yearly through its consultants and it organizes information meetings, study days and seminars. The training system used is based on practice in companies supplemented by theoretical and general training in seminars. The Rijksuniversiteit te Gent has designed a continuing education programme for smaller business.

The Small Business School in Delft, **THE NETHERLANDS**, has built up a Small Business Development Programme which tries to stimulate learning with the help of action-orientated activities for owners/managers of autonomous small companies. Some twenty companies per year take part in this programme.

The Dutch SME-assistance centre called RND (Rijksnijverheidsdienst) attached to the Ministry of Economics is regionally organized having twelve units (one per province), each staffed by at least an engineer, an economist and a secretary doing service to the manufacturing firms with up to 200 employees. The counselling and advice consists of rapid diagnoses of problems -overt and covert -some of which can be tackled with the businessman's own resources and others needing more specialized intervention. Such services are free of charge; follow up interventions are normally subsidized by state assistance.

The Dutch "Centraal Institut voor het Midden en Kleinbedrijf" runs short courses and seminars often linked with other organizations throughout the country and lasting from one afternoon to four days.

In **FRANCE**, the Chambers of Commerce and Industry play a key role in software support-systems for SMEs. In addition, various new initiatives of public and private character, e. g. small business "clubs" or associations designed to provide information or management assistance to SMEs and the Boutiques de Gestion are active as service deliverers.

An "à la carte programme" is offered by the Centre de la Petite Entreprise of the Chambre de Commerce et d'Industrie de Lille -

Roubaix - Tourcoing. Participants can choose from a variety of courses especially developed to meet the needs of small business entrepreneurs.

Also in France, an association (Association pour la Promotion et le Développement Indutriel - APRODI) has been created by the Chambers of Commerce and various public and private organizations with the special target to assist small and medium-sized companies which are in economic difficulties.

Business schools and universities offer some programmes for existing SME's as well but to a much smaller extent than in the United Kingdom.

B. EVALUATION

The delivery structure for management assistance programmes for small and medium-sized companies in the European Community is - not surprisingly as there are even more institutions involved - more manifold than that for start-ups. Reasons for this variety are similar in both areas, it is to a large extent resulting from different traditions in the single European countries.

Four main types of deliverers of SME software assistance programmes can be identified :

- long established membership bodies like the Chambers of Commerce
- private consulting firms
- newly founded public and/or private organizations aiming especially to help SMEs
- business schools, universities, polytechnics and management centres

The services they offer can be split up into at least five categories :

- programmes on legal aspects (taxes, employment legislation, health and safety regulations, etc.)

- programmes on opportunities (financial assistance, assistance as for exports, etc.)
- programmes on new technological developments and on how to enhance innovation
- personal development programmes (leadership, team building, creativity, decision making, etc.)
- programmes on disciplines (marketing, finance, accounting, production management, budget control, etc.)

The first two categories mentioned above are much more relevant for research on the national level; their relevance for cross-national comparison is not very evident. For the last three of these categories a comparison of programme structure and contents on the European scale seems to be very useful and research should therefore mainly concentrate on them.

The central question related to all above described programmes is, of course, whether they are able to meet the needs of SME owners/managers and whether they are thereby effective. Speaking about needs it has to be recognized that they are often highly differentiated. To know these needs is a central prerequisite before developing programmes.

When trying to identify needs related to training measures for SMEs owners/managers the relationship between small size and management has to be analyzed as a first step. Factors characterizing management of SMEs are e. g. :

- there is only a very small management team
- managers have multi-functional roles
- there is often a lack of specialized personnel
- informal control systems are dominant
  there is often a shortage of promotable manpower
- there is considerable scope for domination by the leader
- the control of the environment is limited and there are limited resources to scan it
- the product range is limited
- there are often only limited markets and usually small firms have only a limited market share. [28)]

Thus the major implications of smallness relate particularly to the "limitations placed on the availability of specialized management in the company, its weakness in being able to control and relate to the environment and the overall lack of resources". [29] These factors lead to an increased role of the owner/manager as he is making decisions on priorities which he particularly likes (probably less with a systematic approach). The characteristics for the leadership style are also influencing the style of the whole organization. Professional management may only steadily grow if the firm grows as well. As long as such a management has not been built up, the owner manager is the central figure, also deciding on whether to accept training measures or not. This factor is of some importance when programmes are designed. A second implication of the characterization given above consists in a close link between personal and company objectives in small firms. This is related to the interesting fact that in the small firm context a "synonimity of organization development and management development" [30] can be identified. Thus management development needs can be derived from organization development needs. As there is normally no specialist trainer in the small company, only the owner/manager himself (theoretically) can identify necessary behaviour changes related to learning needs (knowledge, skills or attitude requirements) which have to be undertaken if

- company objectives change or
- new ways in the solution of problems should be introduced

Only if the owner/manager is able to recognize these links between organizational development and management development might he be ready to look for external assistance. Asking for assistance he will not be interested in education and training for his own sake. Thus "he is unlikely to see any gain in personal development divorced from the needs of his company, unlike the professional manager who has much to gain in career terms by this". [31] This factor has enormous implications for the trainer when he

- designs his concepts
- makes decisions on location and timing of programmes
- acts in his role

Therefore programmes can only have a chance of being successfull if they are e. g. :

- as specific as possible
- avoiding techniques which are not relevant
- using the right language to communicate
- in small doses
- giving the participant the chance to express his problems at the beginning
- as result orientated as possible

The teacher, ideally should have practical experience which is transferable by examples to participants and makes him more able to communicate at the right level. He should provide opportunities to learn from one another, to help in problem solving and to analyze needs and relate them to possible solutions.

Methods used by training institutions which seem to be adequate could be

- doing exercices
- experimentation
- experiential learning

As the typical owner/manager cannot afford to spend much time away from his firm, programmes may only be run in short inputs or should be organized to take place in modular sessions at weekends or evenings.

Accordingly, basic programme typologies can be developed using appropriate teaching methods (project-based programmes, action learning groups, problem solving approach, inter-firm comparison approach, etc.) and contentwise being orientated to enhance participants to take back and implement in their firms useful parts of a programme which should in any case not be "front loaded" with unnecessary material.

Some very practice orientated research has been undertaken in the area of designing this kind of promising and effective programmes. A

central question in evaluating existing activities (as described in the first part of this chapter) is therefore, whether there is a gap between programmes as they are actually carried through and the practical results of the above-mentioned research. Looking at the area of software assistance for existing small businesses it can be assumed that a great number of elements of basic programme typologies which were developed according to really existing needs are indeed embedded in courses which are actually offered in the countries of the European Community. But as in reality the demand expressed by SMEs for such programmes is not always very big, it may be asked if this demand could be more visible were more programmes fully tailored to real needs to be delivered.

C. PROBLEMS

One central problem related to software support for SME owners/managers has just been expressed : despite the variety of assistance available in many countries small business owners/managers frequently do not seem to be aware of assistance sources nor yet inclined to use them. There seem to be many reasons for this : seeing problems, a small business owner/manager might not go directly to especially established advice institutions first; he might in the first step ask his own family, friends, etc. and at the second step he might ask people outside the company with which he is acquainted like lawyers, accountants, bankers, etc. Only at the third step may he use further institutions of assistance and advice, if he is aware of their existence.

It can be assumed that the likeliness of SME owners/managers becoming more favourable towards services offered by assistance agencies depends to a large extent on their perception of attributes which can characterize respective offerings. Interest in assistance programmes may increase more if the following attributes do in fact function as guidelines for deliverers : Service activities should be

- easily accessed
- not too expensive
- integrated

- highly visible
- personalized
- time effective
- opportunity orientated
- flexible
- well-connected
- understandable
- action orientated and
- accepted by the small business community [32)]

Additionally special skills like trustworthiness, meaning credibility, capability and confidentiality of the individuals involved in delivering assistance may contribute to foster the perspective of co-operation between the deliverers and his potential "customer". The same is due to other attributes of the individual service provider in the functional area : he should be experienced, have a broad knowledge base, analytical, supportive, having good local contacts, humble, a good listener, emphatic and interested. [33)]

Thus it is evident that the image and the role of the service providers are a very crucial factor when the relationship between deliverers and SME owners/managers is analyzed. There is clearly a high number of qualitative requirements influencing the acceptancy of offerings and thereby also their effects.

It is certainly not easy to judge to what extent a possible lack of confidence in training programmes, which can also be derived from answers to the EFMD questionnaire (where interest in respective programmes mostly is characterized as "average", sometimes even as "low" and only a few times as "high") is due to the fact that not enough of the above-indicated attributes are reached by deliverers. A central problem which should be the subject of further research is therefore combined with the question : Is it

- an awareness deficiency or is it
- knowledge about possible unsatisfactory results

which leads to the sometimes prevailing picture of a certain degree of apathy towards training measures for SMEs ?

Respondents to the EFMD questionnaire saw mainly the following problems related to programmes assisting small and medium-sized enterprises :

- "It is difficult to achieve access, awareness, credibility for such a widespread and diverse target group who generally is unwilling/unable to pay training costs"
- "Lack of credible marketing and delivery mechanisms for small business training including distance learning"
- "Inadequate supply of "trainers" with specific but non-academic small business skills and experience"
- "Lack of a data base"
- "The need is bigger than the demand : Small Business Management does not always see the cost/benefit effects of training. It costs too much and takes too much time from the daily business"
- "The small businessmen's problems to choose the right programme from various available"
- "Entrepreneurs are busy people who very often do not take the time needed for their education"
- "Cost to the small company (despite subsidization)"
- "Time to attend sessions is lacking"
- "Uncertainty about demand for university programmes"
- "Motivating entrepreneurs for training and for the importance of attending the courses. This is especially due to the general economic crisis"
- "The training of counsellors to the "group philosophy""
- "Fighting target group scepticism"
- "Validity of programme context. The balance between breadth and depth"
- "Costs and pricing for services offered"
- "Shortage of people with sufficient practise and overview of faculties"
- "The small businessman's self-esteem. Seldom leveled. Either exaggerated or understated"
- "Location of programme"
- "Cost, time consumption and "communication" language"
- "Finding the right calibre of staff to handle the programmes"
- "Initially obtaining "credibility" in the small business sector"
- "No real problems, more work than we can cope with"

- "Apathy and lack of confidence"
- "Ignorance of what is available"
- "Lack of belief in training and lack of funds and resources"
- "The principal problem is in identifying the most suitable timing of programmes - i. e. facilitating owners/managers in their every day work and running programmes at times when the owner/manager will attend"
- "To obtain an enthusiastic staff"
- "Budget restrictions and cost"
- "To meet conflicting time demands/work patterns of faculty and owner managers"
- "Perceived price/value relationships regarding training differ between large and small firms"
- "Mistrust of academics from entrepreneurs"
- "Main problem is that the level of teaching required on small business programmes is low by the standard of examined graduate or postgraduate courses normally ongoing in institutions of higher education. Thus, altough small business is regarded as a worthwhile area of activity, it fits uncomfortably alongside other courses of more advanced contents. We are not supposed to devote substantial resources to what amounts to low-level short-course activity of this kind"
- "Limited opportunities for a dialogue with the small business community"

This rather long list of problems can be allocated to certain problem areas and thus also partly combined. These problem areas are :

- Tailoring : How to cope with different needs in a large variety of small firms is a major problem when selecting participants. A too big diversity of interests within a participating group will lead to additional difficulties in designing programmes. Given the above-mentioned hesitation to make use of course offerings, there might be a tendency just to "fill" courses with participants who have quite different interests, just as a certain number of participants is required so that a course can be run
- Pricing : SME owners/managers do not seem to be willing to invest a great deal of money in training programmes. This was one of the reasons why INSEAD cancelled a very sophisticated

offering which tried to attract an international audience to a course designed for managers from medium-sized companies. Altough the price for this programme was lower than that of comparable measures for big business managers not enough participants enrolled. (In this case there were other problems involved too, e. g. language difficulties and how to reach a quite undeveloped market.)

As SME management development programmes have to be prepared with a lot of expertise and care, high costs are involved in programme designing. There is generally a great risk that these costs will not be covered by incoming fees. Only if subsidies from a third side are provided can this risk be minimized. Subsidies may on the other hand lead to increased offerings : it could be asked whether some programmes have been built-up only because there is money available and not because of an identified greater demand.

- Image : Especially academic institutions may lack credibility in the small business community. They can have the image of being academic and not capable to help to cope with practical needs. This image can only be changed in the long run if institutions for higher education will be able to hint at many examples of productive co-operation with small business which have been reached with teaching and counselling efforts using the right "mix" of theory- and practice-orientated teaching staff.

- The possible lack of skills of small business teachers : The ideal set of attributes experts should have who work in the area of small business assistance was listed above. Requirements become even higher by taking into account that an approach is needed in teaching small businessmen that is somewhat different from the conventional education stance. The teacher who sticks closely to his planned delivery structure and who is not able to build outward from the experience of his "clients" is not doing his job properly. The required skills of teachers are furthermore to some extent contradictory to the image of small business education as it is very often seen as being of low-level.
- The programming gap : Institutions, especially academic ones, traditionally have the tendency to offer "standard products", courses or seminars which can be repeated and are advantageous

as e. g. standard material can be used, use of resources can be time-tabled and such programmes are most cost-effective. This approach is - as has been indicated above - not of much use when designing SME programmes.

- The lack of administrative resources : As special efforts are needed to build up programmes a whole specialized staff is needed to prepare potentially successful programmes. Administration of institutions has to be aware of this fact and therefore ready to support respective efforts with all possible means. It should also have an important function in advertising and marketing programmes especially by having close links to the community in the respective region and to businessmen/women.
- The lack of time : In order to achieve improved access to small companies a substantial amount of time has to be invested to build up small business contacts with the help of a variety of different channels. In the same time teachers have to care to be informed on the newest level of research and have to prepare non-standardized programmes. The reward systems in institutions normally do not provide much incentives for SME teachers doing their very time consuming work.

D. CONCLUSIONS

Notwithstanding the fact that there are - as has been described above - a number of not only low barriers on the way towards successful management development training for SMEs in Europe, some other factors have to be considered as well before making overall judgements on possible advantages/disadvantages of respective measures.

There are generally two ways to assist SMEs : Firstly, hardware (grants, loans ant low interest rates, tax reductions, etc.) can be delivered and secondly software (counselling, courses, etc.). In practice both possibilities are often combined. But it may be worth asking which of the two support systems will be more effective in the long run. As was stated before, it can be assumed that if management abilities lack in a company this firm practically does not have a chance to survive in the long run, even if subsidies are offered to it.

Thus the importance of management and management development should not be underestimated when the viability of companies is looked at. Management development is even of vital importance when new goals are set or new technological processes are introduced. Investment into fostering it may therefore produce an overall raise of the quality of management in European SMEs, which seems to be a better guarantee for their survival than many forms of financial subsidies.

It has been demonstrated in this report that it is a rather big task to design effective programmes with appropriate teaching staffs running them. But research results on how to tackle problems in this area and some rather fine examples of practical efforts existing in Europe (see chapter below) could pave the way for a broader acceptance of these programmes for SME assistance by those for whom they are designed. It would be feasible in this connection to organize some kind of feedback on possible problems of interaction between the two groups : the employers and the deliverers. More knowledge and also some stimulating effects could result from bringing both sides to one table : the entrepreneur who has participated in management assistance programmes plus the one who never has done so on the one side, the deliverer on the other. If this could happen on an international scale it would certainly provide more knowledge through comparision and it might also result in stimulating effects for the further overcoming of barriers. In so far as the gap between deliverer and "customer" is "only" an awareness problem on the side of the employers, some change could be induced by using media (local newspaper, TV, etc.) to create greater awareness on existing training possibilities. In the long run it can be assumed that acceptance for offerings from training institutions will also grow influenced by another factor : It can be assumed that the level of education of those who presently and in the future create companies is or will be higher than this was the case in the past with respective people. This seems to be a general tendency not only derived from the fact that in a special and expanding sector of the economy - in the area of high-tech production - this level is perceived to be rather high. Given this tendency it can be assumed that the readiness to take advantages of well-designed programmes will grow as well in the future.

Tools to spread the knowledge about programmes have to be developed. Therefore, information on the changing elements in such programmes, on potentially new approaches as well as on problems arising when implementing measures for SMEs should be collected on a continuous basis and published regularly. The broader the knowledge on what is offered in the area of SME training across Europe, the more inspiration towards improving existing training efforts can be provided for those who organize training and those who work as trainers themselves.

A further recommendation can be derived from the fact that currently practically no special curricula exist for future trainers within higher education. Setting up such curricula at universities, business schools, polytechnics, etc. would certainly contribute to the quality of future training. They would have to realize a rather practice-oriented educational approach providing students with functional knowledge, the ability to take a holistic view, a high level of motivation and a series of practical skills gained through substantial vocational parts of training.

More offerings for the training of trainers from institutions of higher education, from professional associations, chambers of industry and commerce, specialized institutions and even large companies would additionally contribute to the full professionalization of training efforts. At the European level, a number of international associations and institutions organize conferences to develop a platform for the exchange of information and knowledge of best practices. But really genuine European institutions or programmes covering also the area of training and development of the management of Small and Medium-sized enterprises do not yet exist. With the given perspective of the currently much discussed transition towards the creation of the European Internal Market, initiatives into this direction could be a stimulating tool towards an obvious need to offer better training in the context of the "Europeanization" more and more required of business itself.

A final recommendation could be realized by utilizing other instruments able to contribute to the development of training. Just to give two examples:

- Involving more trainers from throughout Europe in recently established partnerships between business (also SMEs) and educational institutions as they are stimulated by the COMETT programme of the E.E.C. Commission could have a positive impact on fostering their abilities, specifically when developing training programmes across borders.

- Projects envisaged to broaden the availability of training in Europe like the planned DELTA distance learning programme currently also prepared by the E.E.C. Commission could lead to an upgrading of trainers' competencies through involving them in increased numbers already at the planning stage of such efforts.

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1) An appropriate approach to describe entrepreneurship is to use a mix of commonly ascribed attributes to this expression. Thus entrepreneurial attitudes would include among others :

- high initiative
- strong persuasive powers
- moderate or high-risk taking ability
- flexibility
- creativity
- independence
- problem solving ability
- need for achievement
- imagination
- high belief in control of one's destiny

cf. GIBB, A. A., Factors Fostering Entrepreneurship : the Role of Education. In : Education for Enterprise. Edt. by WATTS, A. G. and MORAN, P., CRAC 1984

2) Cf. "Selected instruments to enhance the management of SME's. Report provided by the European Foundation for Management Development for the Commission of the European Communities. Brussels 1985, p. 3

3) WATKINS David, Conference report "The Training and Counselling of Small Firm Entrepreneurs and Managers" organized by Manchester Business School and UNICE, Manchester 1983, p. 4

4) For the German Example cf. PREISS Dagmar, Berufsbezogene wissenschaftliche Weiterbildung an den Hochschulen, Ergebnisse einer bundesweiten Studie. In : Technologie und Management, Transferorientierte Weiterbildung für Führungskräfte mittelständischer Unternehmen durch die Hochschulen. TUB-Dokumentation (Heft 23), Berlin 1984, p. 10 -16

5) The EFMD questionnaire was in two parts. Part A looked at small business courses in undergraduate and graduate business/commerce programmes. It investigated courses on small firm management and statistics on how many past students have gone into business for themselves. Questionnaire B investigated continuing education, especially programmes for small firm start-ups and programmes for managerial support for existing businesses as well as other activities to assist small enterprise development. On both questionnaires respondents were also asked to give their opinions on research requirements in the respective areas.

6) The European Foundation for Management Development (EFMD) is a membership association of business schools, corporations, private and public sector organizations and individuals with a common interest in management development, education and training

7) The data given in this chapter were taken from : HASKINS, Gay, Small Business Management Training in European Business Schools and management centres - some preliminary insights. Paper published by EFMD, Brussels 1983, p. 4

8) Information from answer to EFMD questionnaire

9) Ibid.

10) Cf. Wirtschaftswoche Nr 32/1985 (2/8/1985), p. 35)

11) Cf. BIRLEY, Sue and GIBB, A. A., Teaching Small Business Management in the UK. Part II : How the needs are being met. In : Journal of European Industrial Training 8, 6, 1984, p. 17

12) WATKINS David, "Education for Entrepreneurship : Is it possible ?" Paper presented at the 6th European Small Business Seminar, Milan, September 1976, p. 7

13) An in-depth description of respective practices is given in the second part of this resport with the example of ESC Lyon

14) GIBB, A. A., "Support for Small Business and Entrepreneurship Development in Europe - The role of Education and Training." Paper presented to the AACSB-meeting in Orlando, Florida, April 1985, p. 22

15) HARPER, Malcolm, "Entrepreneurship and New Ventures, a Course at the Cranfield School of Management", In : Ventures Capital Report Ltd., 1981

16) HASKINS, Gay, "Small Business management training..." op. cit. p. 9

17) GIBB, A. A., "Support for..." op. cit., p. 16

18) GIBB, A. A., "Teaching Small Business Management" op. cit. p. 20

19) "Small Firms Assistance in Western Europe", to be published in London in the Autumn 1985

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21) GIBB A. A., "Support for Small Business..." op. cit. p. 17

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26) WARHOLZ-JUNIUS, H. M. "Perspektiven industrieller Mittelstandspolitik". In : "Wende in der Mittlestandspolitik" ed. by Bundesverband der Deutschen Industrie (BDI - Drucksache Nr.179), June 1985, p. 65 (translated from German by the author)

27) cf. GARBER Susan, "The Small business development centres programme in the United States of America", In : International Management Development, Brussels, Winter 1984, p. 14 (of the insert)

28) cf. GIBB A. A., "The Small Business Challenge..." op. cit., p. 6. The following considerations are to a large extent based on this analysis

29) Ibid. p. 6

30) Ibid. p. 9

31) Ibid p. 10

32) cf. GIBB A. A., Final rapporteurs note - 14th EFMD Small Business Seminar, Lisbon. In : International Management Development, Winter 1984, p. 4 (insert)

33) Ibid.

IV. ANNEXES

A. DURHAM UNIVERSITY BUSINESS SCHOOL SMALL BUSINESS CENTRE

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Durham University Business School's Small Business Centre has developed a wide range of activities including:

- Programmes for undergraduate and MBA students;
- Start-up programmes and counselling for start-up businesses;
- A number of management support programmes for existing small firms;
- Activities in the field of training for trainers and programmes for directors from other UK institutions;
- Prototypes of programmes developed through combined research/experimental efforts which are now used by various other institutions in the UK.

DUBS has also become one of the leading institutions for research in the area of SME management assistance in Europe and it plays a major role in the Small Business Teachers' Programme in the United Kingdom.

The following list provides an impression of the range of programmes offered by DUBS in the area of small business management education:

New Enterprise Programme

A 16 week programme aimed at those with a manufacturing or industrial service idea. The programme aims to take people from an idea into a business and consists of approximately 3 weeks of taught programmes together with consulting and short teaching inputs, as well as regular review visits. This is funded by the Training Commission.

Promotional Seminars

These are aimed at encouraging the development of ideas and trying to link ideas with sources of finance.

Support for Existing Companies

- Occasional short courses on specific topics, eg. using consultants and obtaining consultancy grants;
- Project-based programmes aimed at helping the small owner/managed business develop its specific ideas;
- General programmes aimed at encouraging the growth of the business through an "action learning approach" (the Growth Programme);
- A small group of individually tailored programmes for companies in different sectors of industry;
- Programmes to encourage licencing or the take up of licences by small companies..

Export Programmes

The Export Unit within the Small Business Centre runs 3 programmes to help SMEs develop their full export potential: the Small Firms Export Programme for beginners; the Export Development Programme for passive exporters;; and a Teaching Company Scheme to help active exporters.

Management Extension Programme

A programme originating at Durham, now extended nationally, and aimed at using unemployed managerial resources to help small businesses develop, solve problems, and/or take on additional managerial resources.

Management Transfer Programmes

Aimed at helping large company managers resettle into small firms (as part of a transfer process out of a large firm) by using their previous expertise to help businesses in the local community.

Counselling Training Programmes

Developed for members of the staff of the Rural Small Firms Counselling Service (CoSIRA) in the UK, and run nationally.

Programmes for Directors of Enterprise Agencies

A range of programmes aimed at encouraging initiation of new agencies and the development of the existing 300 UK agencies, as well as the development of counselling skills in their staff.

International Programme for the Staff of Assistance Agencies

A 10 week course to develop the skills needed to design and implement programmes for the promotion and development of small businesses in developing countries. Training includes a placement in a British enterprise agency and normally there is a requirement that the student produces an action plan for implementation in their home country.

Certificate in Enterprise Education and Training

This 12 week programme covers a wide range of enterprise activities, from enterprise education in schools and higher education, to new enterprise development, survival, growth of existing businesses, and intrapreneurship. This is followed by a practical field-based project

which is completed in the remainder of the academic year. Successful participants gain a professional qualification of competency in enterprise and small business management development.

National Small Business Management Teachers' Programme

Run in collaboration with a consortium of other Business Schools and aimed at teachers in colleges who wish to develop their skills in teaching small business management.

Education for Enterprise

(1) A programme developed at Durham, aimed at encouraging 14 to 19 year olds to become more enterprising. The programme uses a workshop approach to help teacher proficiency in transmitting enterprise skills to pupils in schools and colleges. The programme is funded by British Steel Corporation (Industry) Limited and the Department of Trade and Industry, (Industry/Education Unit).

(2) Enterprise management development courses for senior staff and governors of secondary schools to enable them to cope with the educational reforms in school management.

(3) A series of workshops, dealing with individual developmental aspects of enterprise education, are being funded by Marks & Spencer plc and the University Grants Committee.

Graduate into Enterprise

A programme designed to validate self employment as an acceptable career alternative for graduates by a sustained awareness programme, to provide various levels of support needed by those graduates who already have business ideas, and to provide "knowledge of" and "experience in" small business for those with a desire to explore a small business career as an alternative to more traditional graduate employment.

In order to be able to achieve these aims a network of institutions in the university and higher education sector has been created within regions but also linked "intra-regionally" to insure systematic programme development. The institutions of higher education within each region will be linked with other support organizations such as Enterprise Agencies, Development Agencies, Advisors Services, etc., in order to ensure the maximum use of existing regional and local resources. The role of Durham University Business School is that of organizing, co-ordinating and providing help on design and pedagogy or programmes and linking institution with external resources. The end result is expected to be the development of both graduate and institutional capability in enterprise generation.

The programmes for future entrepreneurs should consist of the following steps:

Enterprise Awareness Programme

A one day or weekend programme for final year students. The aims of the programme are: to provide a role image of self-employment; to develop an appreciation of the attitudes needed for entrepreneurship; and to create greater self awareness. The programme will eventually be run at all higher education institutions.

Graduate Enterprise Programme

A business start-up programme for graduates which involves a 4 week intensive training period followed by 6 months of counselling support. There are currently 450 places across 10 regions of Britain. The aim is to give graduate entrepreneurs the skills to avoid the problems and pitfalls common in the first year of business, with particular emphasis put on marketing skills and financial planning. The programme has been developed by the Training Commission.

Graduate Gateway Programme

A 16 week programme for unemployed recent graduates (3 weeks training and 13 weeks placement in a small company carrying out a

project). The aim of the programme is to encourage graduates to seek a career in the SME sector by giving them insight into, and experience of, a small company. The programme is funded by the Training Commission who provide a training allowance to the graduates.

Graduate Associate Programme in Entrepreneurship

A pilot programme, funded by the EC Social Fund and public bodies in the North East of England, with the aim of increasing the number of graduates employed by SMEs in the region. The programme facilitates the process of recruitment and provides 1 year's part time training in management competencies leading to a Diploma in Entrepreneurship Management.

B. IRISH MANAGEMENT INSTITUTE BUSINESS DEVELOPMENT PROGRAMME

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The Small Business Development Programme at the Irish Management Institute (IMI): "Helping the small firm to develop and grow"

The Irish Management Institute offers a range of courses (lasting from one and a half days to eight days) to owners/managers of small and medium-sized industries. Experience gained from there and the perception that entrepreneurs of existing SMEs should be more committed to expanding their companies, especially as otherwise financial incentives would have little effect led to the creation of a special Business Development Programme (BDP).

The first - of altogether four programmes of this kind up to now -was started in 1978 and completed in 1979 lasting for 18 months. The BDP has the following objectives:

- to achieve significant growth in employment **through** profitable expansion;
- to draw up and execute comprehensive plans for future development of business;
- to establish good information systems for sound management control;
- to find new products and markets - particularly export markets;
- to establish good labour relations, policies and practices;
- to train and develop staff at all levels to meet present and future needs of company;
- to develop the personal and management skills of the participant;

- to increase the confidence of the participant in himself and his ability to manage his company.

The main features of the Programme are:

- long duration - 18 months
- 2 day residential workshop each month
- 1 day each month in-company practical application
- experienced counsellor attached to each company
- active teaching - with participant's companies used as models wherever possible
- experience sharing by participants through discussions, presentations, visits, etc.
- a combination of various training methods designed to complement and reinforce each other
- involvement of help agencies through a liaison committee
- participants specially selected
- survey of training needs before course is designed
- regular review and built-in flexibility to respond to needs as they arise
- continuous and regular evaluation of progress
- continuous emphasis on application throughout programme
- participants encouraged to set regular goals which are reviewed each month.

Training methods:

The Business Development Programme tries to be unique in the combination of activities blended together to achieve the desired result. Among its training objectives is to build up the confidence of the participant himself and in his ability to deal with others. This is done by giving him management skills and helping him to apply these skills in his own company. It is also achieved by creating conditions for the participant to share experiences with other participants on the Programme. As one participant on the Programme said "... we felt that before we started we all had individual problems and that no-one else had these problems. We found that almost everybody had

the same type of problem and we were able to talk about them quite openly".

Another objective is getting the participant to draw up comprehensive plans of the development of his/her company. This is done in stages firstly by getting participants to idividually write scenarios for the next ten to fifteen years and secondly discussing these with the group. They then draw up general objectives for development and again after discussion produce more detailed plans and projections.

In order to do this it is necessary to give the participants knowledge of finance, organization structures and general management. This is reinforced by asking for presentation of plans and allowing other participants on the Programme to evaluate them.

It is the combination of a number of individual training techniques which achieve the desired results rather than any single one. The learning principles used on the Business Development Programme are:

- participant control of learning situation and topics
- active involvement in case studies, games, practice sessions, etc.
- use of credible models
  - . past participants
  - . present participants
- self diagnosis
- setting of concrete change goals
- change consistant with self image
- change in small doses
- public commitment to change goals
- safe psychological learning environment
- relevance of teaching to participants own situation
- opportunities to practice
- feedback on progress
- building on experience
  - . of self
  - . of fellow participants

- high expectation of success
- peer support and social pressure to change
- positive reinforcement.

Structure of the Programme:

The Programme is divided into three phases.

There is no distinct end of one phase and beginning of another; the phases tend to blend into each other and overlap to some degree. The implementation phase varies for each individual participating company and for many continues well after the Programme has formerly ended.

The **analysis phase** is the first phase of the Programme during which the participant would analyse his/her company under a range of headings such as finance, production, marketing, etc. The purpose is to identify and put right deficiencies.

The **planning phase** consists of:

- analysing the environment
- identifying opportunities and threats
- writing a scenario for the future
- deciding on detailed plans
- quantifying plans and establishing targets.

The **implementation phase** consists of:

- implementing plans
- establishing feedback mechanisms
- monitoring progress
- taking corrective action
- up-dating plans.

Profile of participants:

Almost all participants are owners/managers of companies who are manufacturing, processing or assembling. Each is the chief executive with the power to take and implement decisions. Company employee statistics are as follows:

Company Employee Statistics

	BDP 1	BDP 2	BDP 3
Total	473	678	473
Average	28	38	26
Range	12 - 62	8 - 93	5 - 64
Number	17	18	18

Companies represent a cross-section of industries including metal engineering, food, furniture, electronics, chemical/pharmaceutical, printing, plastics, electrical engineering, etc. The fact that each Programme had a deliberate mix of industries added to the learning experience rather than detracted from it.

Participants educational level was in the main second level with a small proportion having completed third level. Very few had first level only. The ages of the participants range from 24 to 53.

Results:

An evaluation of BDP efforts has been carried through by an external expert. It came to the conclusion that most companies involved have experienced substantial growth in sales, employment and profits. In some cases where the number of employees has declined the firms in question are now much more stable and profitable.

A recent survey of a sample of 10 companies on BDP 2 showed an increase of 185 extra jobs or 42%. Companies who have completed the third programme in April 1983 expect to increase employment by 150 or 33%. By Summer of 1984 they had shown an increase of 80

people (18%) and were still growing. This has been achieved in continuing recessionary conditions where manufacturing employment overall has been declining.

The vast majority of companies have tightened or reorganized their management structure and taken on new managerial staff. This included more development in most functional areas and resulted in the fact that 81% of the Managing Directors stated that the business could run independently over a longer time in their absence.

Since completion of the programme additional training has been carried out in most companies. However the range of facilities available and the importance of training should be highlighted even more in future BDPs.

Participants of BDP feel that they have changed in their managing style and also personally as a result of the course. It gave them a more detailed and objective view of their business and a more analytical approach.

Better knowledge and improved skills created more interest in the business and increased their confidence in solving problems. Attitudes of other people towards participants changed as well. This is mainly reflected in an improved confidence by staff in management and more respect for decisions, more trust from creditors, a reduction of debtors days and an improved image of the company.

The vast majority of BDP 2 and 3 companies have a written plan today while quite a few BDP companies have no written plan. Seventy-six percent of all companies have a written budget and 86% of them produce management accounts.

One of the most striking improvements was in the area of exports. Out of a sample of 42 companies from all three programmes 31 (almost 75%) are exporting. The 31 exporting companies showed an increase in exports between them of 110% in the period 1981 to 1983; BDP 1 increased by 137%, BDP 2 by 179% and BDP 3 by 60%. In the

same period total exports of all manufacturing industries in Ireland increased by 45%.

Sponsorship:

The Business Development Programme requires the commitment of substantial resources. The Programme leader is virtually full time commited with other IMI staff contributing substantial inputs. In addition there are 6/7 counsellors who give up 4/5 days each month to the Programme.

To run such a Programme on an economic cost basis would put it beyond the scope of most small businesses. Sponsors have contributed over 75% of the costs. In addition past participants from formal BDPs have contributed substantial donations to the running of the third and fourth programmes.

Now that the Programme is well-established certain cost reductions can be made without reducing effectiveness. While the cost per participant may appear high at about IRL£ 8 000 the cost per job created is only about IRL£ 400.

Transferability:

One of the requirements of sponsorship for the first Programme by the European Social Fund was that the Programme could be transfered to other Member States. Up to now action has been taken to esablish BDP in Greece sponsored as a pilot project by ESF and discussions are taking place with the Jutland Technological Institute to establish the Programme in Denmark. The Programme is now being run in Voralberg, in the west of Austria, and started in Vienna in October 1984. It started in Finland in 1985 and in Sweden and Portugal it is considered to be run as well at the moment. A number of other countries have also shown interest.

C. TECHNOLOGIE-VERMITTLUNGS-AGENTUR BERLIN e.V. (TVA)

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The Technologie-Vermittlungs-Agentur Berlin e.V. is part of a dense network of technology transfer units which has been established in Berlin. For some years now several technology transfer agencies have been working in Berlin to improve especially the innovation capability of the small and medium-sized enterprises. The most important ones are: the transfer agencies of the Technical University of Berlin, the Free University of Berlin and the Polytechnic College; the consulting services of the chamber of industry and commerce; the technology centre of the VDI/VDE (association of German engineers), which is oriented more to the national level; the Technologie-Vermittlungs-Agentur Berlin e.V. (Technology-Transfer-Agency, TVA).

Within the well-developed technology transfer scene in Berlin the TVA holds a central function in its role as a mediator between science and the economy. In the following there is a more detailed description of the activities of the TVA, which cover all three areas of this report by offering programmes for university graduates, start-ups and existing small and medium sized firms.

The TVA is an institution outside of university, supported by industry, industrial associations, administration and science. The specific feature of TVA's work is its connection with an innovation-oriented policy of regional development, initiated by the Senate of Berlin (West).

The background for the transfer concept of the TVA is an integral approach of innovation and technology transfer designed to improve especially the innovation capability of the small and medium-sized enterprises. This so-called "Berlin Model" works in all the areas that can be activated for technology transfer (cf. fig. 1):

- Information transfer
- Technology transfer
- Transfer of personnel
- Start-ups of enterprises
- Qualification consulting.

It must be noted that not single measures but their combination at different operational levels has contributed to the success of the "Berlin Model".

Information Transfer

Information Transfer is one of the central tasks of the transfer of scientific knowledge.

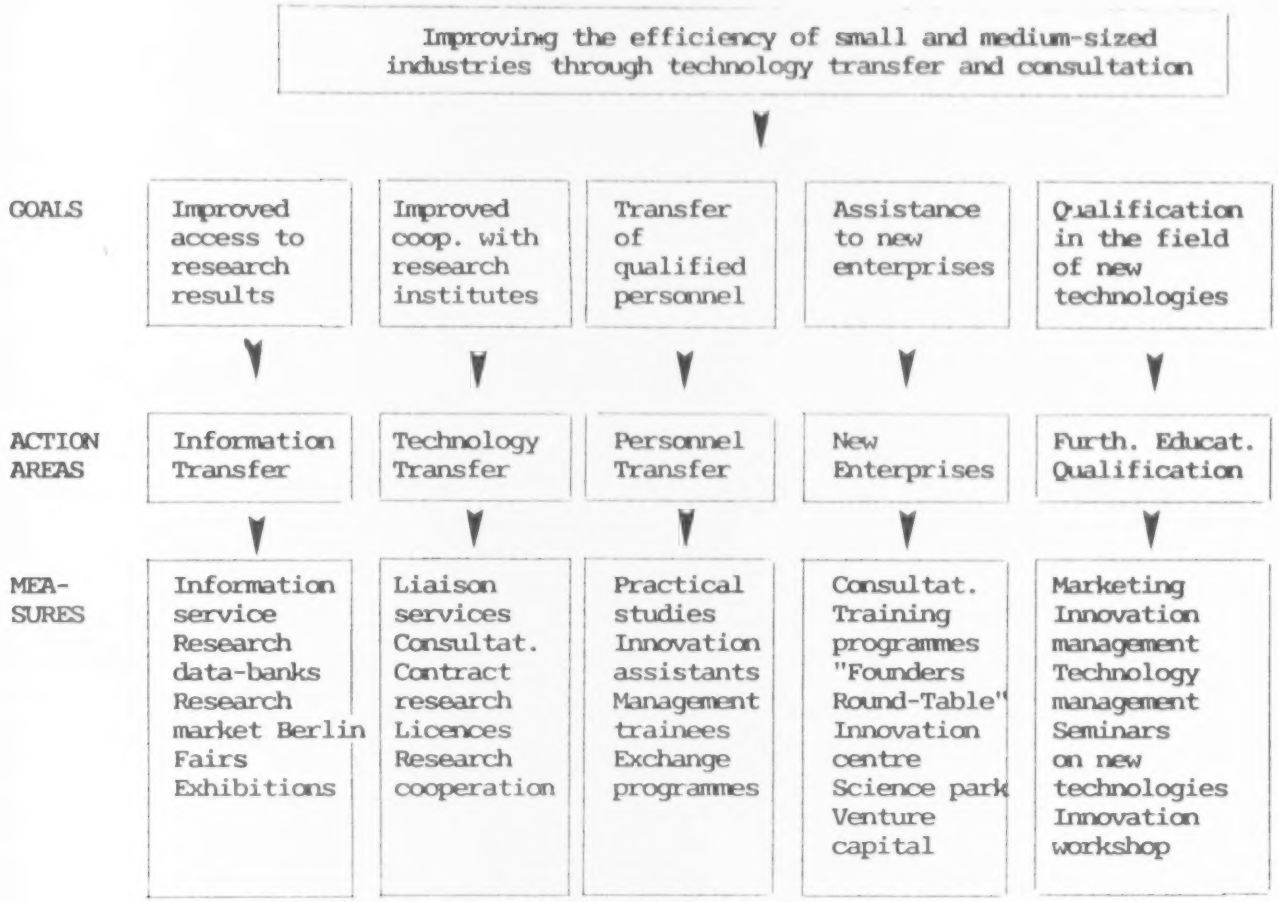
The TVA-information service is a support to the company's information management with:

- An extensive online-data bank service with access to 900 national and international data banks, that means to the newest state of science and research;

- Inquiries about market situations and technical standards.

Till now the TVA has answered more than 3 000 data bank inquiries. The importance and value of information as the basis of entrepreneurial decisions has been more and more recognized. The TVA - as a regional information broker - has more and more inquiries.

Figure 1: The "Berlin Model" for Technology Transfer and Innovation


Improving the efficiency of small and medium-sized industries through technology transfer and consultation
GOALS
Improved access to research results
Improved coop. with research institutes
Transfer of qualified personnel
Assistance to new enterprises
Qualification in the field of new technologies
ACTION AREAS
Information Transfer
Technology Transfer
Personnel Transfer
New Enterprises
Furth. Educat. Qualification
MEA-SURES
Information service Research data-banks Research market Berlin Fairs Exhibitions
Liaison services Consultat. Contract research Licences Research cooperation
Practical studies Innovation assistants Management trainees Exchange programmes
Consultat. Training programmes "Founders Round-Table" Innovation centre Science park Venture capital
Marketing Innovation management Technology management Seminars on new technologies Innovation workshop

As a new company-information-service the TVA has built up a special environment data-base "Umweltmarkt Berlin" (environmental market Berlin). It is the aim of this data-base to give a general review of the potential of Berlin companies and research institutes, which are at work in the field of environmental technology.

Technology Transfer

Small and medium-sized enterprises do not have the necessary resources for research and development. They do not have the know-how to carry out developments without outside help. They lack:

- The personnel and technical requirements;
- The financial possibilities;
- The contacts and the experience with external offers of technology.

TVA removes these deficits through its advisers who are the mediators between the small and medium-sized enterprises and the experts in science and business. After analysing the problems TVA looks for the right partner, arranges the first contacts, helps to make contracts and gives support to co-operation projects.

Start-ups of Enterprises

The establishment of new enterprises is gaining increasing attention by institutes providing regional economic development. Berlin's programme to grant financial aid was improved step by step and culminated in 1983 in the foundation of the Berlin Center for Innovation and New Enterprises (BIG), the first such innovation centre in the Federal Republic of Germany.

Besides this special activity of BIG, it is part of the task of the TVA to assist new technology oriented enterprises in getting through the difficult start-up-phase.

TVA's range of services includes the following:

- Evaluation of the innovation concept with regard to technology and marketing potentials;
- Arranging for expert advice on special problems;
- Financial counselling (public funding, venture capital);
- Assistance in recruiting staff members.

Transfer of Personnel

A well-qualified staff is the prerequisite for innovation and dynamic business development. The TVA Personnel Transfer Service assists Berlin firms in recruiting qualified university graduates and postgraduates as specialists and management trainees (innovation assistants).

As recruitments are always risky, the Senator for Economy and Labour sponsors the employment of innovation assistants by covering 40% of their taxable gross income for a period of 12 months, the maximum being DM 24 000 p.a.

Only those personnel service businesses and manufacturing companies can get the financial support whose annual turnover does not exceed DM 50 million in the year.

The aim of the measure is:

- To facilitate the recruiting of university graduates in small and medium-sized enterprises. That also means to reduce prejudices against university graduates.

- To open new fields of occupation for university graduates. That means, the existing orientations of university graduates to the research and development departments of large scale firms should be complemented by small and medium-sized enterprises as a possible field of activity.

Up to now more than 500 innovation assistants could be placed within Berlin enterprises. There is a great demand that hardly be met in micro-electronics, information and data processing. More than 50% of the supported firms did not have any experience with university graduates.

Qualification Consulting

In co-operation with the Berlin Labour Exchange TVA assists Berlin's firms in solving their difficult problem of staff planning and qualification. For this purpose TVA has set up the consulting group on qualification and further education. Its advice and range of services include:

- Initiating and organizing of in-service and inter-company qualifying schemes;
- Giving information about public funds to be obtained for the period of professional acquisition of new staff members and for their qualification.

Qualification and Further Education for Executives and Junior Executives

The development of market and technology creates an urgent need for active innovation management. Specific management qualifications are a prerequisite for innovation management. These specific management qualifications

- often are not available in the companies, especially in SMEs
- normally cannot be learnt at the universities.

Therefore, besides the innovation assistant programme the TVA is trying to provide qualification programmes to executives and junior executives of small and medium-sized enterprises.

With support of the Senate for Economy and Labour the TVA has started two series of seminars. The objective of one series is to

illustrate general trends of future technologies, especially in the field of environmental technology, optoelectronics, laser technology, CNC and CAD systems. Furthermore, these seminars describe the way new technologies affect company's planning concerning personnel requirements and the qualification and further qualification of the staff.

Personnel management and qualification is inseparable from the adoption of new technologies. With the concept of the seminars the TVA takes up this connection of these two components of the innovation process.

In co-operation with the project "Innovation-Management" at the Technical University of Berlin, the TVA has organized a second series of seminars. These seminars include all aspects of the process of innovation management. The series is structured in units, each of which is concentrated on a special topic of innovation management. The theoretical approach of the seminars is the analytical classification of the principal operational levels of the innovation process:

- orientation towards market and consumer demands
- technology transfer
- strategic management and planning
- innovation supporting organizational development
- financing.

Proceeding from this classification the comprehensive teaching contents are the instruments and techniques of an innovation-oriented, strategic business planning and its practical application to innovation projects.

The seminarists - executives and junior executives of SMEs - should acquire the following skills:

- to manage well-aimed planning for the future;
- to develop strategies which are appropriate for identification and establishment of promising business units and which are tailored to the company and its resources;

- to create an innovation-oriented organization and profile of the company;
- to find the way to new products and services;
- to initiate innovation projects and to bring them to a successful conclusion;
- to succeed with launching the product on the market.

The seminars are integrated in a programme cycle. The programme cycle includes the following topics:

- scenario techniques as one basic condition for strategic planning;
- methods and instruments of strategic planning, including portfolio-analysis;
- the development of an innovation-oriented policy within the company and the establishment of a specific company profile to use the given innovation capacity of the company;
- the creative use of internal and external resources for product innovation;
- the conditions of a successful control of innovation projects, especially methods of liquidity control;
- the evaluation of personal management patterns.

The trainers of the seminars are innovative entrepreneurs, consultants and university teachers.

In the long term, the seminars should improve the ability of executives and junior executives of SMEs to use techniques of strategic planning and innovation management in their companies.

Research

To improve and to examine its consulting approach the TVA is endeavoured to realize necessary scientific activities. During the last two years the TVA has carried through two comprehensive research studies.

- One study examined the "possibilities to transfer the Berlin programme innovation-assistant to other German countries (Bundesländer)". In the meantime, the Berlin programme has been taken over by several other German countries (Länder) such as Lower Saxony, North Rhine-Westphalia, Bremen, Saarland and Hamburg.

- The second study examined the "product innovation management in technology-based small and medium-sized enterprises". On the basis of about 20 comprehensive case studies there could be defined the typical deficits that appear in technology-based small and medium-sized enterprises during the innovation process.

Resume

It can be regarded as an important advantage that the core of experts who were mainly involved in setting up gradually the comprehensive programme which is offered by the TVA have done a considerable research - especially in the area of technology transfer possibilities - before they started and parallel to the activities described above.

Currently, there are research efforts in order to develop a new project. The project aims at the combination of the post-graduate seminars on innovation management with a comprehensive advice on long-term technology-oriented personnel development.

D.I. THE ACTION OF THE ESC LYONS GROUP IN FAVOUR OF THE CREATION OF ENTERPRISES

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Since 1984 the action of the ESC (Ecole Supérieure de Commerce) Lyons Group in the field of entrepreneurship has been centered on the following specific targets:

(1) The creation within the Group of a solid **"platform of skills"** to support the creation of innovative enterprises:

- to **help** in **the creation** of approx. 20 new enterprises per year, thus making a contribution to the vitality of the local economic fabric;

- to develop an **entrepreneurial culture** within the ESC Lyons Group and its environment by encouraging the teaching staff and the students to forge close links with **innovative** SME's, to operate as real local economic agents and to work in favour of the renovation of the economic fabric.

(2) Collaboration with powerful and complementary **partners:**

The Lyons Chamber of Commerce and Industry, the **Société Lyonnaise de Banque,** the Ministry of Industry, the **Conseil Régional,** the **Conseil Général,** the **Ecole Centrale de Lyon,** the National Agency for the Creation of Enterprises, etc.

(3) The development of an **active local network** of skills and energy on behalf of creators of enterprises (sponsorship of heads of enterprises, links with research centres) with groups of investors.

(4) The development of a wide range of skills: research activities, counselling, training, publications, combining pragmatic effectiveness with methodological rigour.

(5) **at operational level, concentration as a priority on innovative enterprises in Lyons and the Lyons region**: there are a number of reasons for this:

- the Lyons region offers a rich and diversified potential;
- the rate of creation of innovative enterprises nevertheless remains inadequate and potential creators generally lack training in the management field;
- the creation of an enterprise is first and foremost a local phenomenon. Only geographical proximity permits full utlization of the networks of partners supporting the heads of enterprise.

These actions are fully in line with the **"Plan Technopôle"** of the **Association pour le développement de la région lyonnaise** (Association for the Development of the Lyons Region, ADERLY) which aims at the promotion of the creation of innovative enterprises by stimulating exchange between science, finance and industry and young entrepreneurs.

D.II. ACTIONS IN SUPPORT OF THE CREATION OF ENTERPRISES

1. Information and Awareness-raising: Upsteam Action

To promote the creation of innovative enterprises, it is necessary to establish actions upstream of the creation process.

With this aim in mind, a five-day seminar directed towards researchers, teachers and final-year scientific students, was launched on the campus of the DOUA, one of Lyons' major scientific poles, in 1987.

This action, led by professors from the ESC Lyons Group, experts from the Lyons Chamber of Commerce and Industry and officers from business creation support agencies, has proven to be a real success.

2. The Creation of Enterprises for Students Programme (PLE): a New Educational Discipline

The action:

Open to third-year students of the ESC Lyons and the **Ecole Centrale**, Lyons, and to CESMA (Centre d'Etudes Supérieures du Management or Centre for Higher Management Studies) participants, this specialization option has three principal objectives:

(a) To stimulate an entrepreneurial spirit among students;

(b) To permit multidisciplinary teams to work on specific projects which can lead to the creation of enterprises;

(c) To have the students work on well-founded, credible business plans liable to arouse the interest of venture capitalists if pro.essional aims are pursued.

The results:

Opened in September 1985:

- 45 students selected in 2 years;
- 21 projects presented;
- 5 enterprises created.

3. The Innovative Enterprise Creation Support Scheme (PACEI)

Launched in 1984, this programme is directed towards **candidates submitting an innovative project.** The innovative character of a project, assessed by a jury of experts who are specialists in the creation of enterprises, may cover various aspects:

- The proposed product or service;
- The production or marketing process;
- The market in question;
- The means of management.

The project should moreover be consistent with the experience and know-how of the candidate.

Over a period of 4½ months, the participants:

- Receive **specialized** training in the form of sandwich course (24 days);

- Are given **individual** guidance (sponsorship, advice from experts);

- Benefit from skills, capacity and the network of contacts of the ESC Lyons Group and the Lyons Chamber of Commerce and Industry, both partners of the programme.

This programme has already led to the creation of **more than 40 enterprises** in various fields of activity (see annex 2) and contributed to the generation of **more than 250 jobs.**

4. Support of Up-and-coming Entrepreneurs

On the basis of its know-how in the field of business creation and its advice and guidance structures for young enterprises, the ESC Lyons Group contributes its support and competence to the programmes in favour of up-and-coming entrepreneurs established by ADERLY and local authorities in the following areas:

- Stipulation of candidates;
- Participation in selection boards;
- Counselling or support of enterprises.

5. The Network of Created Enterprises: the PROJECTIF Association

With the support of the ESC Lyons Group, the former participants in the Innovative Enterprise Creation Support Scheme (PACEI) have created an association entitled "PROJECTIF" in order to promote contacts, exchange of information and co-operation among entrepreneurs.

This assocation is stimulated by:

- A quarterly information letter (RESEAUX);
- Periodic meetings;
- Exhibitions/fora.

These actions in particular serve to break the isolation of the creators.

6. "Point CHANCES"

In conjunction with the **Centre d'Etudes Supérieures Industrielles** (Centre for Higher Industrial Studies - CESI), the ESC Lyons Group has been awarded the **"Point Chances"** label by the Ministry of Industry in order to provide guidance to creators in their relations with the various business creation support agencies.

D.III. EDUCATIONAL DEVELOPMENT AND RESEARCH ACTIVITIES

Educational development and research activities essentially revolve around the **"enterprise creation" chair of the Société Lyonnaise de Banque.**

A chair financed by the **Société Lyonnaise de Banque** was in fact set up by the ESC Lyons Group and the **Société Lyonnaise de Banque** in June 1985.

This endowment finances intellectual investments: studies, research and the development of educational material by a team of 8 professors.

In a brief period of time, the work of the chair has pooled the educational production of a fertile and enthusiastic team of professors and achieved a **significant "breakthrough"** in this field.

In its three years of operation, the chair has produced:

- 7 cases;
- 17 technical memoranda;
- 1 book entitled **"Les Pépinières d'Entreprise"** (approx. "The breeding ground of an enterprise";
- a practical guide;
- 5 articles.

Two heavy research programmes are moreover underway:

- an investigation of **evaluation methods of** business creation **projects;**

- **a data bank** to provide an in-depth follow-up of the businesses created from the support programme over a period of seven years.

D.IV. INTERNATIONAL COOPERATION

1. Membership of Numerous Networks and Associations

The ESC Lyons Group is a member of a number of international scientific and professional associations:

- European Foundation for Management Development (EFMD)
- Institute Council for Small Business (ICSB)
- International Small Business Council (ISBC)
- National Business Incubation (NBIA).

2. Eurostart: Creation Europe is on the Move !

A co-operation agreement in the field of entrepreneurship was signed with the Business School of Bocconi, Italy, and the ESADE, Spain, in 1987.

This agreement covers educational exchanges, joint research projects, the linkage of young enterprises and the **twinning of student programmes,** concluded by a joint final seminar.

3. Participation in and Organization of Colloquia

- Annual congress of the EFMD (Lisbon, Manchester, Stockholm);
- Colloquia on entrepreneurial "breeding grounds" and technopoles (Paris, Lyons, Boston, Sophia-Antipolis, etc.);
- A colloquium on project evaluation (Milan).

E. THE UNIVERSITY OF TWENTE - THE NETHERLANDS

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The policy of the Dutch government is to stimulate the application of technologies developed within the universities in industrial situations. In order to improve the transfer of technology, so-called Transfer-points have been created within the universities to stimulate the drawing up of research agreements between the universities and industry. In parallel with these government-supported activities, the TH Twente is attempting to promote the placement of engineers in small and medium-sized companies and the formation of new businesses by TH Twente graduates.

1. Industrial Liaison Agencies (Transferpunten)

In 1980, Transfer-points (TP) were founded in The Netherlands at the three technical universities, having as a main aim the enhancement of the flow of knowledge from the universities to the SME's. At that time, the growth of the economy and the lowering of unemployment was expected to be linked strongly to new entrepreneurship and the flow of knowledge to SME's with a product or service based on new technologies. In the subsequent years, TP's have been started at all Dutch universities; the TP of the University of Twente - although it started as a regional TP - has developed as a nationally oriented TP that attracts about 50% of its clients from parts of The Netherlands outside the province.

Transferpunt University of Twente

The Technology Transfer mechanism at Twente is carried out by the Transferpunt (TP) and is part of a network of such centes established in universities by the Dutch government. The TP at Twente is still extending its range of activities which are focussed on generating and extending contacts between academic staff and industry, particularly SME's.

The main aims of the TP-UT are:

- improving and developing conditions through which co-operation between SME's and the UT will be stimulated;
- participating in projects through which the UT will contribute in the economic development of the region/province;
- stimulating entrepreneurship within the UT.

2. Stimulating Entrepreneurship

The encouragement and training of technically qualified young persons with entrepreneurial potential are essential factors for economic development.

New technology-based business enterprises are required, particularly in regions suffering significant unemployment levels. The formation and growth of such business enterprises depend on qualified and highly motivated innovators who have access to adequate resources, facilities and expertise - notably those resident in universities and other higher education establishments. Support of several kinds is required, and a structured methodology to provide appropriate assistance, together with relevant training in commercial skills to complement technical capability, is essential.

A description of a programme for technology entrepreneurs, which addresses the above requirements follows.

3. The Temporal Entrepreneurial Jobs Programme (TOP)

TOP was launched in 1984. The programme is operated by the Transferpunt of the University of Twente. In summary, the programme focusses on the skills and resources needed by the graduate entrepreneur to effect the transition from a product, process or service concept to a successful business. Contributions of expertise and access to facilities is made by the university and this institution is the key source of enterprise ideas.

New product, process or service concepts are generated within university research groups or through individual academic's interests and consultancy activities. The "liberation" of ideas with commercial potential from the academic environment and their exploitation by young graduate entrepreneurs in collaboration with the innovating academic staff members, is the key strength of TOP.

3.1. General Structure

The TOP programme provides **graduates** from all universities and higher technical schools in The Netherlands, who want to become an independent entrepreneur, a place in the University of Twente, **in** a research group for **one** year.

The TOP programme provides to those who are in the incubation stage with their firm:

- support by university experts with know-how and expertise;
- use of technical facilities and accommodation;
- housing and office facilities and
- an allowance for cost of living (Dutch guilders 30 000 for one year).

Funding support is provided by the Ministry for Economic Affairs and the University of Twente. The Social Fund of the European Communities has sponsored the programme for a certain period and a limited number of companies. Successful entrepreneurs who have left the TOP programme after one year have to pay back 50% of the

grant during five years. Thus a revolving fund has been built up which allows the university to establish new TOP places in the future.

3.2 Procedure

Graduates who want to apply for a TOP place have to develop a business plan and are invited to discuss their plan with a TOP advisory board. People from industry, consultancy and from the university are members of this committee.

Usually an experienced mentor from industry is assigned to the young entrepreneurs, thus being a help in the background and covering any weak areas in the business plan.

All young TOP entrepreneurs are advised to join the course "How to become an entrepreneur" developed by staff members of the faculty of business management of the university. This course gives them the opportunity to develop their own business concept and will give feedback on their plans from all the young entrepreneurs.

The TOP advisory board evaluates the development of the new company regularly. Frequently young entrepreneurs apply together for more than one TOP place. It has been proved that new firms established by a partnership have better chances in the market, especially when they cover a combination of technical and business management areas.

4. Methods and Means for Successful International Technology Transfer

Internationalisation of universities is a strategic issue that will become more and more important in the following years.

For The Netherlands, it is obvious that education and research do not have a sufficient international orientation.

This counts even more against the background of a very internationally oriented Dutch market situation and the importance of competitiveness between Europe and the USA and the Pacific area at the other side.

The Dutch government has therefore decided that further internationalisation between Dutch regions and regions abroad has to be encouraged. Thus the ITP project has been established.

4.1. The International Transferpoint Project (ITP)

The hypothesis of the ITP project is that it will be possible to identify regions in other countries that have a similar infrastructure and network between industry, authorities and an "entrepreneurial" university.

In such a project you have to learn by doing; learn from the mistakes you make and learn from experiences acquired by others. It is for this reason that we are very much interested to communicate with colleagues who already have experiences in this field.

Up till now it is our experience that it takes much effort to initiate such forms of interregional co-operation and to set up an effective network of networks. It presupposes an active involvement of both parties on different levels and even then it will take time before results will become apparent. It will even take a bigger effort to reach a situation where co-operation is initiated and supported by the individual partners themselves, leaving only a minor role to the Transfer points.

4.2. Programme of Work

In order to achieve co-operation between The Netherlands (and the European market) and the Pacific rim countries the International Technology Transfer Center offers the following opportunities:

- Locating Dutch small-and medium-sized (SME's) companies, identifying their needs for new technologies and linking these companies with companies in regions abroad;

- Exchange of business information between the regions;

- Advising foreign companies in entering the Dutch and the European market;

- Advising foreign companies about subsidies available on different levels of government and in the European Community;

- Mediation in arranging joint ventures and licence agreements;

- Access to university know-how and expertise in The Netherlands.

5. Summary

1. Based on our own experience and from what we learned from others, the best practice to stimulate the international transfer of technology - based businesses in a region could be the establishment of an international oriented Transfer Center. This Transfer Center should be well known to trade and industry in the region.

2. The best way to start up international transfer activities is to start with high technology. However, this high technology has been introduced in the vital, traditional sectors too. Even the textile industry is high-tech nowadays !

3. The period of time to start up a well organised network for International Technology Transfer, is at least three years. During this period such a network needs the extra support of a start up grant. In the third year this grant could be decreased. After this period, local and regional support means should still be available. This could be a general support system for business innovation in the region, including training facilities and venture capital.

4. The best selection criteria should be marketing criteria. The most important elements in International Business Transfer are "mentality" and the right marketing approach.

5. Small and medium-sized industries have no staff to communicate with time consuming community agency. Therefore, the best way to stimulate the European smaller industry is to stimulate the vitalization of business life in the region by stimulating regional, industrial innovation programmes.

6. Conditions to operate a successful international transfer center:

   - number, size and active pattern of existing (spin-off) firms;
   - business development services, training and consultancy firms;
   - an "entrepreneurial" university based on technology and/or
   - research centers (technical colleges, industry);
   - financial agencies; and
   - involvement of local and regional authorities.

7. To end with:

   "University and Industry are allies: the University needs money to make knowledge, the Industry needs knowledge to make money."

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The Entrepreneurship Programme

Since 1983, ESADE has been involved in teaching and research specifically dedicated to the subject of new businesses.

Two members of the ESADE faculty - Montserrat OLLE and Marcel PLANELLAS - work full-time on this programme. Other members of the faculty, such as Pedro SEPULVEDA and the School's Dean, Lluis PUGES, also work on the programme together with a group of ten executives who serve as advisers to the students of the five year combined B.B.A. - M.B.A. programme who are working on new business projects.

Five Lines of Operation

The Entrepreneurship Programme consists of four different types of training courses:

1. Courses for university students in the final year of the 5 year combined B.B.A. - M.B.A. programme.

2. Courses for employees of the Public Administration working as New Business Promoters.

3. Courses for fledgling entrepreneurs (with no specific management experience).

4. Courses for entrepreneurs involved in setting up businesses based on new technologies.

5. Course in Management of Small and Medium-sized Businesses and Family Firms.

Other courses and activities are currently being developed.

1. Courses for University Students

A course in Entrepreneurship is available for students in the 5th year of ESADE's five year combine B.B.A.-M.B.A. programme.

The 9-credit course runs throughout the entire school year and the basic objective is to teach students how to draft a New Business Plan.

Following one quarter which is dedicated to identifying good business ideas and opportunities, students begin drafting their proposals under the supervision of a group of tutors who are actually employed in management positions in business firms and financial institutions.

The final proposal is evaluated by the entire team of teachers and tutors and, if approved, can fulfil the Capstone Project requirement for the M.B.A. degree.

2. Courses for Public Administrators Working as New Business Promotors

Numerous public (regional and local governments) and semi-public (Chambers of Commerce) agencies have recently created departments to promote and advise fledgling entrepreneurs. ESADE's Entrepreneurship Programme has developed training courses for the people in charge of these departments.

. Courses for Directors of Chamber of Commerce New Business Offices:

An accelerated 40 hour residential course (8 hours daily) for people who have been appointed to head the New Business Offices being set up by the Chambers of Commerce throughout Spain (these officers currently operate in Valencia, Barcelona and Madrid). The courses teach the key elements of **management** in starting up new business and train the future directors of New Business Offices in how to **counsel** fledgling entrepreneurs. Two courses have been run so far: one in June 1985 (25 participants) and a second in November 1985 (23 participants). Both courses were held in Madrid and sponsored by the Council of Spanish Chambers of Commerce.

. Courses for Local Government Economic Development Agents and Officers in Charge of Stimulating Local Economies:

Twenty hour training course for local development officers, dealing with setting up new businesses (a resume of the procedure) and how to analyze local economic resources and business opportunities. The first edition of this course was held the last week in May 1986 for the Barcelona City Council's Economic and Social Development Department.

A new extended version (40 hours) of this course was held in November 1987 for the Institute of Metropolitan Studies.

. Courses for Regional Government Directors of New Business Services:

Intensive 30 hour courses for the directors of new business promotion in Spain's various regional governments. The first edition was held July 20-24, 1986 in San Sebastian and was attended by the directors of SAGAZDE, the Basque Government's new business promotion agency.

3. Courses for Entrepreneurs

These courses are designed for the new entrepreneur who has working experience and a definite plan for a new business, but no specific

background in management. It is not necessary to be a university graduate to attend this course.

The first of these courses was a short, highly accelerated 40 hour course (8 hours daily) which explained and discussed how to draft a New Business Plan and analyzed the personal skills of the entrepreneur. Practical exercises included presenting the New Business Plan to a potential real-life investor.

Participants in this type of course are carefully selected in order to assure a certain standard of experience and guarantee that the projects will be interesting and not directly competitive with one another.

The first edition was held from November 3-7, 1986 in Barcelona and the second from May 25-29, 1987.

In September 1987 an intensive (32 hour) course was given for last year university students planning to go into business for themselves. This course was organized by SAGAZDE and held in San Sebastian. A new version of the course, "How to Start Your Own Business: Key Management Issues" was held in Albacete from December 1-4, 1987 under the sponsorship of the savings bank, Caja de Ahorros de Albacete.

4. Courses for Setting Up Businesses Dealing with New Technologies

The course in Setting Up Businesses Dealing with New Technologies is the result of ESADE's collaboration with the Centre for the Development of Businesses Based on New Technologies, which is part of the Valles Technological Park.

The course runs for 153 hours and combines classroom training with counselling services that enable the participants to develop their own specific Business Plans.

The course concludes with the presentation of the Business Plans and group discussions of the viability of the projects presented by the course participants.

This course is designed for people with business experience who are planning to start a new business related to information technology, automated production processes, biotechnology, fine chemistry or new materials.

5. Course in Management of Small and Medium-sized Businesses and Family Firms

Type of student: enrolled in the 5th and final year of the combined B.B.A.-M.B.A. programme, that is, on the point of earning the M.B.A. degree.

Course content: applying management techniques to small and family businesses. Emphasis on integrating concepts and techniques learned throughout their years of business studies and their practical application. There is considerable case discussion.

Length of programme: 36 hours, from October to December.

Research and Publications

1. "La politica de ayuda a las pequenas y medianas empresas en Espana"

   A study commissioned by the Spanish Ministry of Industry's I.M.P.I. and dealing with European and Spanish public aids for creating new businesses and maintaining existing small firms. The study contains a proposal on how to focus this aid policy.

2. "Como crear su propria empresa. Criterios clave de gestion"

   A book written by Montserrat OLLE and Manuel LUDEVID and based on their teaching and counselling experience with setting

up and managing new businesses. First published in 1987 by Marcombo Editores, the book is now in its second edition.

3. On-going research

The staff of the Entrepreneurship Programme is currently engaged in a study of alumni of ESADE's five year combined B.B.A.-M.B.A. programme who are now in business for themselves.

International Relations

ESADE's Entrepreneurship Programme is linked by a co-operation agreement to SDA Bocconi (Milan) and the Group ESC Lyon. Under the terms of this agreement, the three schools will:

a) jointly run an entrepreneurship programme known as EUROSTART;
b) exchange faculty and students involved in the programme;
c) foster joint research.

ESADE is a founding member of the European Foundation for Management Development (EFMD), which coordinates the leading European business schools as well as a number of employers' associations. ESADE is the only Spanish member of the EFMD Steering Committee on Small Business. The Spanish representative at these meetings is Montserrat OLLE of ESADE's Entrepreneurship Programme.

Montserrat OLLE and Manuel LUDEVID wrote the chapter on Spain contained in the EFMD handbook on aid to small businesses in Europe.

Counselling Services

The members of the faculty of ESADE's Entrepreneurship Programme counsel individuals and groups with specific plans for starting up new businesses. Working on the basis of an idea and a specific proposal, they help draw up detailed New Business Plans.

VI. LIST OF INSTITUTIONS

Austria

WIRTSCHAFTSFORDERUNGSINSTITUT
Wiedner Hauptstrasse 63
A - 1045 Wien
Tel.: 43-222-65 05 31 01

HERNSTEIN MANAGEMENT CENTRE
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A - 1091 Wien
Tel.: 43-222-34 56 110

Belgium

ELISE
Rue Vilain XIII, 38
B - 1050 Brussels
Tel.: 32-2-647 24 00

INSTITUT ECONOMIQUE ET SOCIAL DES CLASSES MOYENNES
Rue du Congrès 33
B - 1000 Brussels
Tel.: 32-2-219 34 34

RIJKSUNIVERSITEIT GENT
Instituut Prof. Vlerick voor Management
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Denmark

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Rainer Holzer, Programme Director
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CEDEFOP Document

Luxembourg: Office for Official Publications of the European Communities

1989 — VI, 129 pp. — 21.0 × 29.7 cm

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ISBN 92-825-9842-X

Catalogue number: HX-55-89-803-EN-C

Price (excluding VAT) in Luxembourg: ECU 5

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